KA / BG-GPO / 2515 / WPP-47 / 2009-2011

ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಸಂಪುಟ ೧೪೪	ಬೆಂಗಳೂರು, ಗುರುವಾರ, ಡಿಸೆಂಬರ್ ೩೧, ೨೦೦೯ (ಪುಷ್ಯ ೧೦, ಶಕ ವರ್ಷ ೧೯೩೧)	ಸಂಚಿಕೆ ೫೨

ಭಾಗ – ೪

ಕೇಂದ್ರದ ವಿಧೇಯಕಗಳು ಮತ್ತು ಅವುಗಳ ಮೇಲೆ ಪರಿಶೀಲನಾ ಸಮಿತಿಯ ವರದಿಗಳು, ಕೇಂದ್ರದ ಅಧಿನಿಯಮಗಳು ಮತ್ತು ಅಧ್ಯಾದೇಶಗಳು, ಕೇಂದ್ರ ಸರ್ಕಾರದವರು ಹೊರಡಿಸಿದ ಸಾಮಾನ್ಯ ಶಾಸನಬದ್ಧ ನಿಯಮಗಳು ಮತ್ತು ಶಾಸನಬದ್ಧ ಆದೇಶಗಳು ಮತ್ತು ರಾಷ್ಟ್ರಪತಿಯವರಿಂದ ರಚಿತವಾಗಿ ರಾಜ್ಯ ಸರ್ಕಾರದವರಿಂದ ಪುನಃ ಪ್ರಕಟವಾದ ಆದೇಶಗಳು.

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಸಚಿವಾಲಯ

ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 46 ಕೇಶಾಪ್ರ 2009, ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 12ನೇ ಅಕ್ಟೋಬರ್, 2009

2009ನೇ ಸಾಲಿನ ಆಗಸ್ಟ್ 19ನೇ ದಿನಾಂಕದ ಭಾರತ ಸರ್ಕಾರದ ಗೆಜೆಟಿನ ವಿಶೇಷ ಸಂಚಿಕೆಯ ಭಾಗ–II ಸೆಕ್ಷನ್ 1ರಲ್ಲಿ ಪ್ರಕಟವಾದ ಈ ಕೆಳಕಂಡ The Finance (No. 2) Act, 2009 (No.33 of 2009) ಅನ್ನು ಸಾರ್ವಜನಿಕರ ಮಾಹಿತಿಗಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯ ಪತ್ರದಲ್ಲಿ ಮರು ಪ್ರಕಟಿಸಲಾಗಿದೆ.

MINISTRY OF LAW AND JUSTICE

(Legislative Department)

New Delhi, the 19th August, 2009/Sravana 28, 1931 (saka)

The following Act of Parliament received the assent of the President on the 19th August, 2009, and is hereby published for general information:

THE FINANCE (No. 2) ACT, 2009

(NO. 33 OF 2009)

[19th August, 2009]

An Act to give effect to the financial proposals of the Central Government for the financial year 2009-2010.

BE it enacted by Parliament in the Sixtieth Year of the Republic of India as follows:

CHAPTER I

PRELIMINARY

1. Short title, and commencement: (1) This Act may be called the Finance (No. 2) Act, 2009

(2) Save as otherwise provided in this Act, sections 2 to 84 shall be deemed to have come into force on the 1st day of April, 2009.

CHAPTER II

RATES OF INCOME-TAX

2. Income –tax: (1) Subject to the provisions of sub-sections (2) and (3), for the assessment year commencing on the 1st day of April, 2009, income-tax shall be charged at the rates specified in Part I of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided therein.

(2) In the cases to which Paragraph A of Part I of the First Schedule applies, where the assessee has, in the previous year, any net agricultural income exceeding five thousand rupees, in addition to total income, and the total income exceeds one lakh fifty thousand rupees, then-

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first one lakh fifty thousand rupees of the total income but without being liable to tax], only for the purpose of charging income-tax in respect of the total income, and

(b) the income-tax chargeable shall be calculated as follows:

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income:

(ii) the net agricultural income shall be increased by a sum of one lakh fifty thousand rupees, and the amount of income-tax shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income as so increased were the total income;

(iii) the amount of income-tax determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax determined in accordance with sub-clause (ii) and the sum so arrived at shall be the income-tax in respect of the total income:

Provided that in the case of every woman, resident in India and below the age of sixty –five years at any time during the previous year, referred to in item (II) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “one lakh fifty thousand rupees” the words one lakh eighty thousand rupees” had been substituted;

Provided further that in the case of every individual, being a resident in India, who is of the age of sixty-five years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part I of the First Schedule, the provisions of this sub-section shall have effect as if for the words “one lakh fifty thousand rupees” the words “two lakh twenty-five thousand rupees” had been substituted;

Provided also that the amount of income-tax so arrived at, shall be increased by a surcharge, for purposes of the Union, calculated in each case in the manner provided in that Paragraph and the sum so arrived at shall be the income-tax in respect of the total income.

(3) In cases to which the provisions of Chapter XII or Chapter XII-A or Chapter XII-H or section 115JB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act, 1961 (43 of 1961) (hereinafter referred to as the Income-tax Act) apply, the tax chargeable shall be determined as provided in that Chapter or that section and with reference to the rates imposed by sub-section (1) or the rates as specified in that Chapter or section, as the case may be;

Provided that the amount of income-tax computed in accordance with the provisions of section 111A or section 112 shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph A, B, C, D or E, as the case may be of Part I of the First Schedule.

Provided further that in respect of any income chargeable to tax under sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115E and 115JB or fringe benefits chargeable to tax under section 115WA of the Income-tax Act, the amount of income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,-

(a) in the case of every individual, Hindu undivided family, association of persons and body of individuals, whether incorporated or not, at the rate of ten per cent of such income-tax where the total income exceeds ten lakh rupees;

(b) in the case of every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, at the rate of ten percent of such income-tax;

(c) in the case of every from and domestic company, at the rate of ten percent of such income-tax where the total income exceeds one crore rupees;

(d) in the case of every company, other than a domestic company, at the rate of two and one-half per cent of such income-tax where the total income exceeds one crore rupees;

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as income-tax and surcharge on such income-tax shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees;

Provided also that in respect of any fringe benefits chargeable to tax under section 115WA of the Income-tax Act, income-tax computed under this sub-section shall be increased by a surcharge, for purposes of the Union, calculated,

(a) in the case of every association of persons and body of individuals, whether incorporated or not, at the rate of ten per cent of income-tax where the fringe benefits exceed ten lakh rupees;

(b) in the case of every firm, artificial juridical person referred to in sub-clause (v) of clause (a) of section 115W of the Income-tax Act, and domestic company, at the rate of ten per cent of such income-tax;

(c) in the case of every company, other than a domestic company, at the rate of two and one-half per cent of such income-tax.

(4) In cases in which tax has to be charged and paid under section 115-O or sub-section (2) of section 115R of the Income-tax Act, the tax shall be charged and paid at the rates as specified in those section and shall be increased by a surcharge, for purposes of the Union, calculated at the rate of ten per cent of such tax.

(5) In cases in which tax has to be deducted under sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income-tax Act, at the rates in force, the deductions shall be made at the rates specified in Part II of the First Schedule and shall be increased by a surcharge, for purpose of the Union, calculated in cases wherever prescribed, in the manner provided therein.

(6) In cases in which tax has to be deducted under sections 194C, 194E, 194EE, 194F, 194G, 194H, 194-I, 194J, 194LA, 196B, 196C, and 196D of the Income-tax Act, the deductions shall be made at the rates specified in those sections and shall be increased by a surcharge, for purposes of the Union, in

the case of every company,. Other than a domestic company, calculated at the rate of two and one-half per cent, of such tax, where the income or the aggregate of such incomes paid or likely to be paid and subject to the deduction exceeds one crore rupees.

(7) In cases in which tax has to be collected under the proviso to section 194B of the Income-tax Act, the collection shall be made at the rates specified in Part-II of the First Schedule, and shall be increased by a surcharge, for purposes of the Union, calculated, in cases wherever prescribed, in the manner provided therein.

(8) In cases in which tax has to be collected under section 206C of the Income-tax Act, the collection shall be made at the rates specified in that section and shall be increased by a surcharge for purposes of the Union, in the case of every company, other that a domestic company, calculated at the rate of two and one-half percent, of such tax, where the amount or the aggregate of such amounts collected and subject to the collection exceeds one crore rupees.

(9) Subject to the provisions of sub-section (10), in cases in which income-tax has to be charged under sub-section (4) of section 172 or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the Income-tax Act or deducted from or paid on, income chargeable under the head “Salaries” under section 192 of the said Act or in which the “advance tax” payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be” advance tax” shall be so charged, deducted or computed at the rate or rates specified in Part III of the First Schedule and such tax shall be increased by a surcharge, for purposes of the Union, calculated in such cases and in such manner as provided therein:

Provided that in cases to which the provisions of Chapter XII or Chapter XII-A or section 115JB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act apply, “advance tax” shall be computed with reference to the rates imposed by this sub-section or the rates as specified in that Chapter or section, as the case may be;

Provided further that the amount of “advance tax” computed in accordance with the provisions of section 111A or section 112 of the Income-tax Act shall be increased by a surcharge, for purposes of the Union, as provided in Paragraph E of Part III of the First Schedule pertaining to the case of a company:

Provided also that in respect of any income chargeable to tax under sections 115A, 115AB, 115AC, 115ACA, 115AD, 115B, 115BB, 115BBA, 115BBC, 115E and 115JB of the Income-tax Act, “advance tax” computed under the first proviso shall be increased by a surcharge, for purposes of the Union, calculated,-

(a) in the case of every domestic company, at the rate of ten per cent. of such “advance tax” where the total income exceeds one crore rupees;

(b) in the case of every company, other than a domestic company, at the rate of two and one-half percent, of such “advance tax” where the total income exceeds one crore rupees;

Provided also that in the case of every company having total income chargeable to tax under section 115JB of the Income-tax Act, and such income exceeds one crore rupees, the total amount payable as “advance tax” on such income and surcharge thereon, shall not exceed the total amount payable as “advance tax” on a total income of one crore rupees by more than the amount of income that exceeds one crore rupees.

(10) In cases to which Paragraph A of Part-III of the First Schedule applies, where the assessee has, in the previous year, or if by virtue of any provision of the Income-tax Act, income-tax is to be

charged in respect of the income of a period other than the previous year, in such other period, any net agricultural income exceeding five thousand rupees, in addition to total income and the total income exceeds one lakh sixty thousand rupees, then in charging income-tax under sub-section (2) of section 174 or section 174 A or section 175 or sub-section (2) of section 176 of the said Act or in computing the "advance tax" payable under Chapter XVII-C of the said Act, at the rate or rates in force,-

(a) the net agricultural income shall be taken into account, in the manner provided in clause (b) [that is to say, as if the net agricultural income were comprised in the total income after the first one lakh sixty thousand rupees of the total income but without being liable to tax], only for the purpose of charging or computing such income-tax- or, as the case may be, "advance tax" in respect of the total income; and

(b) such income-tax or, as the case may be, "advance tax" shall be so charged or computed as follows;

(i) the total income and the net agricultural income shall be aggregated and the amount of income-tax or "advance tax" shall be determined in respect of the aggregate income at the rates specified in the said Paragraph A, as if such aggregate income were the total income;

(ii) the net agricultural income shall be increased by a sum of one lakh sixty thousand rupees, and the amount of income-tax or "advance tax" shall be determined in respect of the net agricultural income as so increased at the rates specified in the said Paragraph A, as if the net agricultural income were the total income;

(iii) the amount of income-tax or "advance tax" determined in accordance with sub-clause (i) shall be reduced by the amount of income-tax or as the case may be, "advance tax" determined in accordance with sub-clause (ii)and the sum so arrived at shall be the income-tax or, as the case may be, "advance tax" in respect of the total income:

Provided that in the case of every women, resident in India and below the age of sixty five years at any time during the previous year, referred to in item (II) of Paragraph A of Part III of the first Schedule, the provisions of this sub-section shall have effect as if for the words "one lakh sixty thousand rupees" the words "one lakh ninety thousand rupees" had been substituted:

Provided further that in the case of every individual, being a resident in India, who is of the age of sixty-five years or more at any time during the previous year, referred to in item (III) of Paragraph A of Part III of the First Schedule, the provisions of this sub-section shall have effect as if for the words "one lakh sixty thousand rupees" the words "two lakh forty thousand rupees" had been substituted.

(11) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall be further increased by an additional surcharge, for purposes of the Union, to be called the "Education Cess on income-tax" calculated at the rate of two per cent of such income-tax and surcharge so as to fulfill the commitment of the Government to provide and finance universalised quality basic education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(12) The amount of income-tax as specified in sub-sections (1) to (10) and as increased by the applicable surcharge, for purposes of the Union, calculated in the manner provided therein, shall also be increased by an additional surcharge, for purposes of the union, to be called the "Secondary and Higher

Education Cess on income-tax" calculated at the rate of one per cent of such income-tax and surcharge so as to fulfill the commitment of the Government to provide and finance secondary and higher education:

Provided that nothing contained in this sub-section shall apply to cases in which tax is to be deducted or collected under the sections of the Income-tax Act mentioned in sub-sections (5), (6), (7) and (8), if the income subjected to deduction of tax at source or collection of tax at source is paid to a domestic company and any other person who is resident in India.

(13) For the purposes of this section and the First Schedule-,

(a) "domestic company" means an Indian Company or anyother company which, in respect of its income liable to income-tax under the Income-tax Act, for the assessment year commencing on the 1st day of April, 2009, has made the prescribed arrangements for the declaration and payment within India of the dividends (including dividends on preference shares) payable out of such income;

(b) "insurance commission" means any remuneration or reward, whether by way of commission or otherwise, for soliciting or procuring insurance business (including business relating to the continuance, renewal or revival of policies of insurance);

(c) "net agricultural income" in relation to a person, means the total amount of agricultural income, from whatever source derived, of that person computed in accordance with the rules contained in Part IV of the First Schedule;

(d) all other words and expressions used in this section and the First Schedule but not defined in this sub-section and defined in the Income-tax Act shall have the meanings respectively assigned to them in that Act.

CHAPTER III

DIRECT TAXES

Income-tax

3. Amendment of section 2: In section 2 of the Income-tax Act-

(a) in clause (15), after the words "medical relief," the words and brackets "preservation of environment (including watersheds, forests and wildlife) and preservation of monuments or places or objects of artistic or historic interest," :shall be inserted;

(b) after clause (22AA), the following clause shall be inserted with effect from the 1st day of April, 2010, namely:

(22AAA)"electoral trust" means a trust so approved by the Board in accordance with the scheme made in this regard by the Central Government"

(c) for clause (23), the following clause shall be substituted with effect from the 1st day of April, 2010, namely:

(23) (i) "firm" shall have the meaning assigned to it in the Indian partnership Act, 1932,(9 of 1932) and shall include a limited liability partnership as defined in the Limited Liability Partnership Act, 2008 (6 of 2009);

(ii) "partner" shall have the meaning assigned to it in the Indian Partnership Act, 1932, (9 of 1932) and shall include,-

(a) any person who, being a minor, has been admitted to the benefits of partnership ; and

(b) a partner of a limited liability partnership as defined in the Limited Liability Partnership Act, 2008 (6 of 2009);

(iii) "partnership" shall have the meaning assigned to it in the Indian Partnership Act, 1932, (9 of 1932) and shall include a limited liability partnership as defined in the Limited Liability Partnership Act, 2008 (6 of 2009),

(d) in clause (24),-

(i) in sub-clause (iia), after the word and figures "section 10" the words "or by an electoral trust" shall be inserted with effect from the 1st day of April, 2010;

(ii) after sub-clause (xiv), the following sub-clause shall be inserted with effect from the 1st day of October, 2009, namely:

"(xv) any sum of money or value of property referred to in clause (vii) of sub-section (2) of section 56'',

(e) after clause (29B), the following clause shall be inserted, namely:-

"(29BA) "manufacture" with its grammatical variations, means a change in a non-living physical object or article or thing,-

(a) resulting in transformation of the object or article or thing into a new and distanct object or article or thing having a different name, character and use; or

(b) bringing into existence of a new and distinct object or article or thing with a different chemical composition or integral structure'',

(f) in clause (48),-

(i) in sub-clauses (a) and (b), after the words "public sector company", the words "or scheduled bank" shall respectively be inserted;

(ii) after clause (c), the following Explanation shall be inserted, namely:-

Explanation- For the purposes of this clause, the expression "schedule bank" shall have the meaning assigned to it in clause (ii) of the Explanation to sub-clause (c) of clause (viia) of sub-section (1) of section 36;

4. Amendment of section 10: In section 10 of the Income –tax Act-

(a) in clause (10C), after the second proviso, the following proviso shall be inserted with effect from the 1st day of April, 2010, namely:

"Provided also that where any relief has been allowed to an assessee under section 89 for any assessment year in respect of any amount received or receivable on his voluntary retirement or termination of service or voluntary separation, no exemption under this clause shall be allowed to him in relation to such, or any other, assessment year,"

(b) in clause (23C), in the fourteenth proviso, for the words "made at any time during the financial year immediately preceding the assessment year", the words, figures and letters "made on or before the 30th day of September of the relevant assessment year" shall be substituted;

(c) in clause (23D), in the Explanation, in clause (a), after the words, brackets and figures "Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980: (40 of 1980) the words and a bank included in the category "other public sector banks" by the Reserve Bank of India" shall be inserted with effect from the 1st day of April, 2010;

(d) after clause (43), the following clause shall be inserted, namely:

"(44) any income received by any person for, or on behalf of, the New Pension System Trust established on the 27th day of February, 2008 under the provisions of the Indian Trusts Act, 1882' (2 of 1882).'

5. Amendment of section 10A : In section 10A of the Income-tax Act, in sub-section (1), in the fourth proviso, for the figures, letters and words “1st day of April, 2011” the figures, letters and words “1st day of April, 2012” shall be substituted.

6. Amendment of section 10AA: In section 10AA of the Income-tax Act, in sub-section (7), for the words “by the assessee” occurring at the end, the words “by the undertaking” shall be substituted with effect from the 1st day of April, 2010.

7. Amendment of section 10B: In section 10B of the Income-tax Act, in sub-section (1), in the third proviso, for the figures, letters and words “1st day of April, 2011” the figures, letters and words” 1st day of April, 2012” shall be substituted.

8. Insertion of new section 13B: After section 13A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2010, namely:

“13B. Special provisions relating to voluntary contributions received by electoral trust: Any voluntary contributions received by an electoral trust shall not be included in the total income of the previous year of such electoral trust if-

(a) such electoral trust distributes to any political party, registered under section 29A of the Representation of the People Act, 1951 (43 of 1951), during the said previous year, ninety-five per cent of the aggregate donations received by it during the said previous year along with the surplus, if any, brought forward from any earlier previous year; and

(b) such electoral trust functions in accordance with the rules made by the Central Government”,

9. Amendment of section 17: In section 17 of the Income-tax Act, in clause (2), with effect from the 1st day of April, 2010-

(a) in sub-clause (v), for the words “annuity; and “ the word “annuity” shall be substituted;

(b) for sub-clause (vi), the following sub-clauses shall be substituted, namely;-

‘(vi) the value of any specified security or sweat equity shares allotted or transferred, directly or indirectly, by the employer, or former employer, free of cost or at concessional rate to the assessee.

Explanation- For the purposes of this sub-clause,-

(a)”specified security” means the securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and where employees’ stock option has been granted under any plan or scheme therefor, includes the securities offered under such plan or scheme;

(b) “sweat equity shares” means equity shares issued by a company to its employees or directors at a discount or for consideration other than cash for providing know-how or making available rights in the nature of intellectual property rights or value additions, by whatever name called;

(c) the value of any specified security or sweat equity shares shall be the fair market value of the specified security or sweat equity shares, as the case may be on the date on which the option is exercised by the assessee as reduced by the amount actually paid by, or recovered from, the assessee in respect of such security or shares;

(d) “fair market value” means the value determined in accordance with the method as may be prescribed;

(e) “option” means a right but not an obligation granted to an employee to apply for the specified security or sweat equity shares at a predetermined price;

(vii) the amount of any contribution to an approved superannuation fund by the employer in respect of the assessee, to the extent it exceeds one lakh rupees; and

(viii) the value of any other fringe benefit or amenity as may be prescribed;

10. Amendment of section 28: In section 28 of the Income-tax Act, after clause (vi), the following clause shall be inserted with effect from the 1st day of April, 2010, namely:-

"(vii) any sum, whether received or receivable, in cash or kind, on account of any capital asset (other than land or goodwill or financial instrument) being demolished destroyed, discarded or transferred, if the whole of the expenditure on such capital asset has been allowed as a deduction under section 35AD'',

11. Amendment of section 32: In section 32 of the Income-tax, Act, in sub-section (i), in Explanation 3, for the words 'the expressions "assets" and "block of assets" the words the expression "assets" shall be substituted with effect from the 1st day of April, 2010.

12. Amendment of section 35: In section 35 of the Income-tax Act, in sub-section (2AB), in clause (1), for the words "the business of manufacture or production of any drugs pharmaceuticals, electronic equipments, computers, telecommunication equipments, chemicals or any other article or thing notified by the Board" the words "any business of manufacture or production of any article or thing, not being an article or thing specified in the list of the Eleventh Schedule" shall be substituted with effect from the 1st day of April, 2010.

13. Insertion of new section 35AD: After section 35AC of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April 2010, namely:

"35.AD. Deduction in respect of expenditure on specified business: (1) An assessee shall be allowed a deduction in respect of the whole of any expenditure of capital nature incurred, wholly and exclusively, for the purposes of any specified business carried on by him during the previous year in which such expenditure is incurred by him;

Provided that the expenditure incurred, wholly and exclusively, for the purposes of any specified business, shall be allowed as deduction during the previous year in which he commences operations of his specified business, if-

(a) the expenditure is incurred prior to the commencement of its operations; and

(b) the amount is capitalised in the books of account of the assessee on the date of commencement of its operations.

(2) This section applies to the specified business which fulfils all the following conditions, namely

(i) it is not set up by splitting up, or the reconstruction, of a business already in existence;

(ii) it is not set up by the transfer to the specified business of machinery or plant previously used for any purpose;

(iii) where the business is of the nature referred to in sub-clause (iii) of clause (c) of sub-section (8), such business,-

(a) is owned by acompany formed and registered in India under the Companies Act, 1956 (1 of 1956) or by a consortium of such companies or by an authority or a board or a corporation established or constituted under any Central or State Act;

(b) has been approved by the Petroleum and Natural Gas Regulatory Board established under sub-section (1) of section 3 of the Petroleum and Natural Gas Regulatory Board Act, 2006 (19 to 2006) and notified by the Central Government in the Official Gazette in this behalf;

(c) has made not less than one-third of its total pipeline capacity available for use on common carrier basis by any person other than the assessee or an associated person; and

(d) fulfils any other condition as may be prescribed.

(3) The assessee shall not be allowed any deduction in respect of the specified business under the provisions of Chapter VIA under the heading “C-Deductions in respect of certain incomes”.

(4) No deduction in respect of the expenditure referred to in sub-section (1) shall be allowed to the assessee under any other section in any previous year or under this section in any other previous year.

(5) The provisions of this section shall apply to the specified business referred to in sub-section (2) if it commences its operations-

(a) on or after the 1st day of April, 2007 where the specified business is in the nature of laying and operating a cross-country natural gas pipeline network for distribution, including storage facilities being an integral part of such network ; and

(b) on or after the 1st day of April, 2009, in all other cases not falling under clause (a)

(6) The assessee carrying on the business of the nature referred to in clause (a) of sub-section (5) shall be allowed, in addition to deduction under sub-section (1), a further deduction in the previous year relevant to the assessment year beginning on the 1st day of April, 2010, of an amount in respect of expenditure of capital nature incurred during any earlier previous year, if-

(a) the business referred to in clause (a) of sub-section (5) has commenced its operation at any time during the period beginning on or after the 1st day of April, 2007 and ending on the 31st day of March, 2009; and

(b) no deduction for such amount has been allowed or is allowable to the assessee in any earlier previous year.

(7) The provisions contained in sub-section (6) of section 80A and the provisions of sub-sections (7) and (10) of section 80-IA shall, so far as may be, apply to this section in respect of goods of services or assets held for the purposes of the specified business.

(8) For the purposes of this section-,

(a) an “associated person”, in relation to the assessee, means a person.

(i) who participates, directly or indirectly, or through one or more intermediaries in the management or control or capital of the assessee;

(ii) who holds, directly or indirectly, shares carrying not less than twenty-six per cent. of the voting power in the capital of the assessee;

(iii) who appoints more than half of the Board of directors or members of the governing board, or one or more executive directors or executive members of the governing board of the assessee; or

(iv) who guarantees not less than ten per cent of the total borrowings of the assessee;

(b) “cold chain facility” means a chain of facilities for storage or transportation of agricultural and forest produce, meat and meat products, poultry, marine and dairy products, products of horticulture, floriculture and apiculture and processed food items under scientifically controlled conditions including refrigeration and other facilities necessary for the preservation of such produce;

(c) “specified business” means any one or more of the following business, namely:

(i) setting up and operating a cold chain facility;

(ii) setting up and operating a warehousing facility for storage of agricultural produce;

(iii) laying and operating a cross-country natural gas or crude or petroleum oil pipeline network for distribution, including storage facilities being an integral part of such network;

(d) any machinery or plant which was used outside India by any person other than the assessee shall not be regarded as machinery or plant previously used for any purpose, if-

(i) such machinery or plant was not, at any time prior to the date of the installation by the assessee, used in India;

(ii) such machinery or plant is imported into India from any country outside India; and

(iii) no deduction on account of depreciation in respect of such machinery or plant has been allowed or is allowable under the provisions of this Act in computing the total income of any person for any period prior to the date of installation of the machinery or plant by the assessee;

(e) where in the case of a specified business, any machinery or plant or any part thereof previously used for any purpose is transferred to the specified business and the total value of the machinery or plant or part so transferred does not exceed twenty per cent of the total value of the machinery or plant used in such business, then for the purposes of clause (ii) of sub-section (2), the condition specified therein shall be deemed to have been complied with;

(f) any expenditure of capital nature shall not include any expenditure incurred on the acquisition of any land or good will or financial instrument;

14. Amendment of section 36: In section 36 of the Income-tax Act, in sub-section (1)-

(a) in clause (iiia), in the Explanation, in clause (i), after the words "public sector company" at both the places where they occur, the words" or scheduled bank" shall be inserted;

(b) in clause (viii), in the Explanation, in clause (b), for sub-clause (i), the following sub-clause shall be substituted with effect from the 1st day of April, 2010, namely:

"(i) in respect of the specified entity referred to in sub-clause (i) or sub-clause (ii) or sub-clause(iii) or sub-clause (iv) of clause (a), the business of providing long-term finance for-

(A) industrial or agricultural development ;

(B) development of infrastructure facility in India; or

(C) development of housing in India'';

(c) clause (xvi) shall be omitted.

15. Amendment of section 40: In section 40 of the Income-tax Act, in clause (b), in sub-clause (v), for items (1) and (2) the following shall be substituted with effect from the 1st day of April, 2010 namely:-

"(a) on the first Rs, .3,00,000 of the book profit or in case of a loss	Rs. 1,50,000 or at the rate of 90 percent of the book-profit, whichever is more;
(b) on the balance of the book-profit	at the rate of 60 per cent"

16. Amendment of section 40A: In section 40A of the Income-tax Act, in sub-section (3A), after the proviso, the following proviso shall be inserted with effect from the 1st day of October, 2009 namely:-

'Provided further that in the case of payment made for plying, hiring or leasing goods carriages, the provisions of sub-sections (3) and (3A) shall have effect as if for the words "twenty thousand rupees" the words "thirty-five thousand rupees" had been substituted;

17. Amendment of section 43: In section 43 of the Income-tax Act, with effect from the 1st day of April, 2010-

(a) in clause (1), after Explanation 12, the following Explanation shall be inserted, namely-

"Explanation 13: -The actual cost of any capital asset on which deduction has been allowed or is allowable to the assessee under section 35AD, shall be treated as nil-

(a) in the case of such assessee; and

(b) in any other case if the capital asset is acquired or received-

(i) by way of gift or will or an irrevocable trust;

(ii) on any distribution on liquidation of the company; and

(iii) by such mode of transfer as is referred to in clauses (i),

(iv) (v), (vi), (vib), (xiii) and (xiv) of section 47;'

(b) in clause (6), after Explanation 6, the following Explanation shall be inserted, namely:-

Explanation 7- For the purposes, of this clause, where the income of an assessee is derived in part from agriculture and in part from business chargeable to income-tax under the head "Profits and gains of business or profession" for computing the written down value of assets acquired before the previous year, the total amount of depreciation shall be computed as if the entire income is derived from the business of the assessee under the head "Profits and gains of business or profession" and the depreciation so computed shall be deemed to be the depreciation actually allowed under this Act;

18. Amendment of section 44AA: In section 44AA of the Income-tax Act, in sub-section (2), with effect from the 1st day of April, 2011-

(a) in clause (iii),

(i) for the words figures and letters "section 44AD or section 44AE or section 44AF" the word, figures and letters "section 44AE" shall be substituted;

(ii) for the words "previous year" occurring at the end, the words "previous year or" shall be substituted'

(b) after clause (iii), the following clause shall be inserted, namely:

"(iv) where the profits and gains from the business are deemed to be the frofits and gains of the assessee under section 44AD and he has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his business and his income exceeds the maximum amount which is not chargeable to income-tax during such previous year'',

19. Amendment of section 44AB: In section 44AB of the Income-tax Act, with effect from the 1st day of April, 2011-

(a) in clause (c)

(i) for the words, figures and letters "section 44AD or section 44AE or section 44AF" the word figures and letters "section 44AE " shall be substituted;

(ii) for the words "previous year" occurring at the end, the words "previous year; or shall be substituted.

(b) after clause (c) the following clause shall be inserted, namely-

"(d) carrying on the business shall, if the profits and gains from the business are deemed to be the profits and gains of such person under section 44AD and be has claimed such income to be lower than the profits and gains so deemed to be the profits and gains of his business and his income exceeds the maximum amount which is not chargeable to income-tax in any previous year''

20. Substitution of new section for section 44AD : For section 44AD of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2011, namely:

'44AD. Special provision for computing profits and gains of business on presumptive basis: (1) Notwithstanding anything to the contrary contained in sections 28 to 43C, in the case of an eligible assessee engaged in an eligible business, a sum equal to eight per cent of the total turnover or

gross receipts of the assessee in the previous year on account of such business or, as the case may be, a sum higher than the aforesaid sum claimed to have been earned by the eligible assessee, shall be deemed to be the profits and gains of such business chargeable to tax under the head “Profits and gains of business or profession”.

(2) Any deduction allowable under the provisions of sections 30 to 38 shall, for the purposes of sub-section (1), be deemed to have been already given full effect to and no further deduction under those sections shall be allowed;

Provided that where the eligible assessee is a firm the salary and interest paid to its partners shall be deducted from the income computed under sub-section (1) subject to the conditions and limits specified in clause (b) of section 40.

(3) The written down value of any asset of an eligible business shall be deemed to have been calculated as if the eligible assessee had claimed and had been actually allowed the deduction in respect of the depreciation for each of the relevant assessment years.

(4) The provisions of Chapter XVII-C shall not apply to an eligible assessee in so far as they relate to the eligible business.

(5) Notwithstanding anything contained in the foregoing provisions of this section, an eligible assessee who claims that his profits and gains from the eligible business are lower than the profits and gains specified in sub-section (1) and whose total income exceeds the maximum amount which is not chargeable to income –tax, shall be required to keep and maintain such books of account and other documents as required under sub-section (2) of section 44AA and get them audited and furnish a report of such audit as required under section 44AB.

Explanation: For the purposes of this section-

(a) “eligible assessee” means,

(i) an individual, Hindu undivided family or a partnership firm, who is a resident, but not a limited liability partnership firm as defined under clause (n) of sub-section (1) of section 2 of the Limited Liability Partnership Act, 2008 (6 of 2009); and

(ii) who has not claimed deduction under any of the sections 10A, 10AA, 10B, 10BA or deduction under any provisions of Chapter VIA under the heading ”C-Deductions in respect of certain incomes” in the relevant assessment year;

(b) “eligible business” means,-

(i) any business except the business of plying, hiring or leasing goods carriages referred to in section 44AE; and

(ii) whose total turnover or gross receipts in the previous year does not exceed an amount of forty lakh rupees;

21. Amendment of section 44AE: In section 44AE of the Income-tax Act, for sub-section (2), the following sub-section shall be substituted with effect from the 1st day of April, 2011, namely:

“(2) For the purposes of sub-section (I), the profits and gains from each goods carriage,-

(i) being a heavy goods vehicle, shall be an amount equal to five thousand rupees for every month or part of a month during which the heavy goods vehicle is owned by the assessee in the previous year or an amount claimed to have been actually earned from such vehicle, whichever is higher:

(ii) other than a heavy goods vehicle, shall be an amount equal to four thousand five hundred rupees for every month or part of a month during which the goods carriage is owned by the assessee in

the previous year or an amount claimed to have been actually earned from such vehicle, whichever is higher"

22. Amendment of section 44AF: In section 44AF of the Income-tax Act, after sub-section (5), the following sub-section shall be inserted, namely:-

"(6) Nothing contained in this section shall apply to any assessment year beginning on or after the 1st day of April, 2011".

23. Amendment of section 49: In section 49 of the Income-tax Act-

(a) for sub-section (2AA), the following sub-section shall be substituted with effect from the 1st day of April, 2010, namely:

"(2AA) Where the capital gain arises from the transfer of specified security or sweat equity shares referred to in sub-clause (vi) of clause (2) of section 17, the cost of acquisition of such security or shares shall be the fair market value which has been taken into account for the purposes of the said sub-clause'",

(b) after sub-section (3) the following sub-section shall be inserted with effect from the 1st day of October, 2009 namely:

"(4) Where the capital gain arises from the transfer of a property, the value of which has been subject to income-tax under clause (vii) of sub-section (2) of section 56 the cost of acquisition of such property shall be deemed to be the value which has been taken into account for the purposes of the said clause (vii)",

24. Amendment of section 50B: In section 50B of the Income-tax Act, in Explanation 2 with effect from the 1st day of April, 2010-

(i) in clause (a), the word "and" occurring at the end, shall be omitted;

(ii) for clause (b), the following clauses shall be substituted, namely:

"(b) in the case of capital assets in respect of which the whole of the expenditure has been allowed or is allowable as a deduction under section 35AD, nil; and

(c) in the case of other assets, the book value of such assets",

25. Amendment of section 50C: In section 50C of the Income-tax Act, with effect from the 1st day of October, 2009-

(a) for the words "or assessed" wherever they occur, the words "or assessed or assessable" shall be substituted;

(b) in sub-section (2), the Explanation shall be numbered as Explanation 1 thereof and after Explanation 1 as so numbered, the following Explanation shall be inserted, namely:-

Explanation 2- For the purposes of this section, the expression "assessable" means the price which the stamp valuation authority would have, notwithstanding anything to the contrary contained in any other law for the time being in force, adopted or assessed, if it were referred to such authority for the purposes of the payment of stamp duty;

26. Amendment of section 56: In section 56 of the Income-tax Act, in sub-section (2),-

(a) with effect from the 1st day of October, 2009-

(i) in clause (vi), after the words, figures and letters "on or after the 1st day of April, 2006" the words, figures and letters "but before the 1st day of October, 2009" shall be inserted;

(ii) after clause (vi), the following clause shall be inserted, namely:-

(vii) where an individual or a Hindu undivided family receives, in any previous year, from any person or persons on or after the 1st day of October, 2009-

(a) any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum;

(b) any immovable property,

(i) without consideration, the stamp duty value of which exceeds fifty thousand rupees, the stamp duty value of such property;

(ii) for a consideration which is less than the stamp duty value of the property by an amount exceeding fifty thousand rupees, the stamp duty value of such property as exceeds such consideration;

(c) any property, other than immovable property,-

(i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;

(ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration:

Provided that where the stamp duty value of immovable property as referred to in sub-clause (b) is disputed by the assessee on grounds mentioned in sub-section (2) of section 50C, the Assessing Officer may refer the valuation of such property to a Valuation Officer, and the provisions of section 50C and sub-section (15) of section 155 shall, as far as may be, apply in relation to the stamp duty value of such property for the purposes of sub-clause

(b) as they apply for valuation of capital asset under those sections:

Provided further that this clause shall not apply to any sum of money or any property received-

(a) from any relative; or

(b) on the occasion of the marriage of the individual ;or

(c) under a will or by way of inheritance; or

(d) in contemplation of death of the payer or donor, as the case may be; or

(e) from any local authority as defined in the Explanation to clause (20) of section 10 :or

(f) from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10:or

(g) from any trust or institution registered under section 12AA.

Explanation:- For the purposes of this clause,-

(a) "assessable" shall have the meaning assigned to it in Explanation 2 to sub-section (2) of section 50C;

(b) "fair market value" of a property other than an immovable property means the value determined in accordance with the method as may be prescribed;

(c) "jewellery" shall have the meaning assigned to it in the Explanation to sub-clause (ii) of clause (14) of section 2;

(d) "property" means-

(i) immovable property being land or building or both;

(ii) shares and securities;

(iii) jewellery;

(iv) archaeological collections;

(v) drawings;

(vi) paintings;

(vii) sculptures; or

(viii) any work of art;

(e) "relative" shall have the meaning assigned to it in the Explanation to clause (vi) of sub-section (2) of this section;

(f) "stamp duty value" means the value adopted or assessed or assessable by any authority of the Central Government or a State Government for the purpose of payment of stamp duty in respect of an immovable property;

(b) after clause (vii) as so inserted, the following clause shall be inserted with effect from the 1st day of April, 2010, namely;

"(viii) income by way of interest received on compensation or on enhanced compensation referred to in clause (b) of section 145A",

27. Amendment of section 57: In section 57 of the Income-tax Act, offter clause (iii)the following clause shall be inserted at the end with effect from the 1st day of April, 2010 namely:

"(iv) in the case of income of the nature referred to in clause (viii) of sub-section (2) of section 56, a deduction of a sum equal to fifty percent of such income and no deduction shall be allowed under any other clause of this section",

28. Insertion of new section 73A : After section 73 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2010, namely:-

"73A. Carry forward and set off of losses by specified business: (1) Any loss, computed in respect of any specified business referred to in section 35AD shall not be set off except against profits and gains, if any, of any other specified business.

(2) Where for any assessment year any loss computed in respect of the specified business referred to in sub-section (1) has not been wholly set off under sub-section (1), so much of the loss as is not so set off or the whole loss where the assessee has no income from any other specified business, shall subject to the other provisions of this Chapter, be carried forward to the following assessment year, and-

(i) it shall be set off against the profits and gains, if any, of any specified business carried on by him assessable for that assessment year; and

(ii) if the loss can not be wholly so set off, the amount of loss not so set off shall be carried forward to the following assessment year and so on",

29. Amendment of section 80A: In section 80A of the Income-tax Act,

(a) after sub-section (3), the following sub-sections shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2003, namely:-

"(4) Notwithstanding anything to the contrary contained in section 10A or section 10AA or section 10B or section 10BA or in any provisions of this Chapter under the heading "C-Deductions in respect of certain incomes, where in the case of an assessee, any amount of profits and gains of an undertaking or unit or enter prise or eligible business is claimed and allowed as a deduction under any of those provisions for any assessment year, deduction in respect of, and to the extent of such profits and gains shall not be allowed under any other provisions of this Act for such assessment year and shall in no case exceed the profits and gains of such undertaking or unit or enterprise or eligible business, as the case may be.

(5) Where the assessee fails to make a claim in his return of income for any deduction under section 10A or section 10AA or section 10B or section 10BA or under any provision of this Chapter under the heading "C-Deductions in respect of certain incomes" no deduction, shall be allowed to him there under ",

(b) after sub-section (5) as so inserted, the following sub-section shall be inserted, namely:

(6) Notwithstanding anything to the contrary contained in section 10A or section 10AA or section 10B or section 10BA or in any provisions of this Chapter under the heading "C-Deductions in respect of certain incomes" where any goods or services held for the purposes of the undertaking or unit or enterprise or eligible business are transferred to any other business carried on by the assessee or where any goods or services held for the purposes of any other business carried on by the assessee are transferred to the undertaking or unit or enterprise or eligible business and, the consideration, if any, for such transfer as recorded in the accounts of the undertaking or unit or enterprise or eligible business does not correspond to the market value of such goods or services as on the date of the transfer, then, for the purposes of any deduction under this chapter, the profits and gains of such undertaking or unit or enterprise or eligible business shall be computed as if the transfer, in either case, had been made at the market value of such goods or services as on that date.

Explanation : For the purposes of this sub-section ,the expression "market value"-

(i) in relation to any goods or services sold or supplied, means the price that such goods or services would fetch if these were sold by the undertaking or unit or enterprise or eligible business in the open market, subject to statutory or regulatory restrictions, if any;

(ii) in relation to any goods or services acquired, means the price that such goods or services would cost if these were acquired by the undertaking or unit or enterprise or eligible business from the open market subject to statutory or regulatory restrictions, if any;

30. Amendment of section 80CCD: In section 80CCD of the Income-tax Act,

(a) in sub-section (1),

(i) in the opening portion, after the words, figures and letters "where an assessee, being an individual employed by the Central Government or any other employer on or after the 1st day of January, 2004,' the words "or any other assessee, being an individual" shall be inserted;

(ii) for the words "as does not exceed ten per cent, of his salary in the previous year", the following words shall be substituted, namely:-

"as does not exceed,

(a) in the case of an employee, ten per cent, of his salary in the previous year; and

(b) in any other case, ten per cent of his gross total income in the previous year;

(b) after sub-section (4), the following sub-section shall be inserted, namely:

"(5) For the purposes of this section ,the assessee shall be deemed not to have received any amount in the previous year if such amount is used for purchasing an annuity plan in the same previous year"

31. Amendment of section 80DD: In section 80DDof the Income-tax Act, in sub-section (1) in the proviso, for the words "seventy-five thousand rupees" the words "one hundred thousand rupees" shall be substituted with effect from the 1st day of April, 2010.

32. Amendment of section 80E: In section 80E of the Income –tax Act, in sub-section (3), with effect from the 1st day of April, 2010-

(i) for clause (c) the following clause shall be substituted, namely:

'(c) "higher education" means any course of study pursued after passing the Senior Secondary Examination or its equivalent from any school, board or university recognised by the Central Government or State Government or local authority or by any other authority authorised by the Central Government or State Government or local authority to do so''

(ii) for clause (e), the following clause shall be substituted, namely:-

"(e) "relative" in relation to an individual, means the spouse and children of that individual or the student for whom the individual is the legal guardian;

33. Amendment of section 80G: In section 80G of the Income-tax, Act, in sub-section (5)

(a) in clause (v) the word "and" occurring at the end shall be omitted;

(b) in clause (vi), for the words "made in this behalf" the words "made in this behalf and "shall be substituted;

(c) in clause (vi), the proviso shall be omitted with effect from the 1st day of October, 2009;

(d) after clause (vi),the following clause shall be inserted, namely:-

"(vii) where any institution or fund had been approved under clause (vi) for the previous year beginning on the 1st day of April, 2007 and ending on the 31st day of March, 2008 such institution or fund shall, for the purposes of this section and notwithstanding anything contained in the proviso to clause (15) of section 2, be deemed to have been,-

(a) established for charitable purposes for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009; and

(b) approved under the said clause (vi) for the previous year beginning on the 1st day of April, 2008 and ending on the 31st day of March, 2009'',

34. Amendment of section 80GGB: In section 80GGB of the Income-tax Act, after the words "political party" the words "or an electoral trust" shall be inserted with effect from the 1st day of April,2010.

35. Amendment of section 80GGC: In section 80GGC of the Income-tax Act, for the words "to a political party" the words "to a political party or an electoral trust" shall be substituted with effect from the 1st day of April, 2010.

36. Amendment of section 80-1A: In section 80-1A of the Income-tax, Act,-

(a) in sub-section (2), the words "or lays and begins to operate a cross-country natural gas distribution network" shall be omitted with effect from the 1st day of April, 2010;

(b) in sub-section (3), the words, brackets and letters "or clause (vi)" shall be omitted with effect from the 1st day of April, 2010;

(c) in sub-section (4),-

(A) in clause (iii), in the second proviso, for the words, figures and letters "the 31st day of March, 2009" the words, figures and letters "the 31st day of March, 2011" shall be substituted;

(B) in clause (iv), for the words, figures and letters "the 31st day of March, 2010" wherever they occur, the words, figures and letters "the 31st day of march 2011" shall be substituted;

(C) in clause (v), in sub-clause (b), for the figures, letters and words "31st day of March, 2008" the figures, letters and words "31st day of March, 2011" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2008;

(D) clause (vi) shall be omitted with effect from the 1st day of April, 2010;

(d) after sub-section (13), for the Explanation, the following Explanation shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April 2000, namely:

"Explanation: For the removal of doubts, it is hereby declared that nothing contained in this section shall apply in relation to a business referred to in sub-section (4) which is in the nature of a works contract awarded by any person (including the Central or State Government) and executed by the undertaking or enterprise referred to in sub-section (1)"

37. Amendment of section 80-IB: In section 80-IB of the Income-tax Act,-

(a) for sub-section (9), the following sub-section shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2000, namely:-

'(9) The amount of deduction to an undertaking shall be hundred per cent of the profits for a period of seven consecutive assessment years, including the initial assessment year, if such undertaking fulfils any of the following namely:

(i) is located in North-Eastern Region and has begun or begins commercial production of mineral oil before the 1st day of April, 1997;

(ii) is located in any part of India and has begun or begins commercial production of mineral oil on or after the 1st day of April, 1997;

(iii) is engaged in refining of mineral oil and begins such refining on or after the 1st day of October, 1998.

Explanation: For the purposes of claiming deduction under this sub-section, all blocks licensed under a single contract, which has been awarded under the New Exploration Licensing Policy announced by the Government of India vide Resolution No. O-19018/22/95-ONGDO.VL dated 10th February, 1999 or has been awarded in pursuance of any law for the time being in force or has been awarded by the Central or a State Government in any other manner, shall be treated as a single "undertaking"'

(b) in sub-section (9), as so substituted,-

(A) in clause (iii), after the words, figures and letters "the 1st day of October, 1998" the words, figures and letters "but not later than the 31st day of March, 2012" shall be inserted;

(B) after clause (iii), the following clauses shall be inserted with effect from the 1st day of April, 2010, namely:-

(iv) is engaged in commercial production of natural gas in blocks licensed under the VIII Round of bidding for award of exploration contracts (hereafter referred to as "NELP-VIII") under the New Exploration Licensing Policy announced by the Government of India vide Resolution No-O-19018/22/95-ONG. DO. VL, dated 10th February, 1999 and begins commercial production of natural gas on or after the 1st day of April, 2009;

(v) is engaged in commercial production of natural gas in blocks licensed under the IV Round of bidding for award of exploration contracts for Coal Bed Methane blocks and begins commercial production of natural gas on or after the 1st day of April, 2009";

(c) in sub-section (10),-

(i) in the opening portion, for the figures, letters and words "31st day of March, 2007", the figures, letters and words "31st day of March , 2008 shall be substituted;

(ii) in clause (c), for the words "any other place; and the words "any other place" shall be substituted with effect from the 1st day of April, 2010;

(iii) after clause (d), the following clauses shall be inserted with effect from the 1st day of April, 2010, namely:-

"(e) not more than one residential unit in the housing project is allotted to any person not being an individual; and

(f) in a case where a residential unit in the housing project is allotted to a person being an individual, no other residential unit in such housing project is allotted to any of the following persons, namely:-

(i) the individual or the spouse or the minor children of such individual,

(ii) the Hindu undivided family in which such individual is the karta,

(iii) any person representing such individual, the spouse or the minor children of such individual or the Hindu undivided family in which such individual is the karta"

(iv) the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2001, namely:-

"Explanation.- For the removal of doubts, it is hereby declared that nothing contained in this sub-section shall apply to any undertaking which executes the housing project as a works contract awarded by any person (including the Central or State Government)"

(d) in sub-section (11A), with effect from the 1st day of April, 2010,-

(i) after the words "vegetables or" the following words shall be inserted, namely:-

"meat and meat products or poultry or marine or dairy products or";

(ii) the following proviso shall be inserted namely:

"Provided that the provisions of this section shall not apply to an undertaking engaged in the business of processing, preservation and packaging of meat or meat products or poultry or marini or dairy products, if it begins to operate such business before the 1st day of April, 2009''

38. Amendment of section 80U: In section 80U of the Income-tax Act, in sub-section (1), after the proviso, the following proviso shall be inserted with effect from the 1st day of April, 2010, namely:

"Provided further that for the assessment years beginning on or after the 1st day of April, 2010, the provisions of the first proviso shall have effect as if for the words "seventy-five thousand rupees" the words "one lakh rupees" had been substituted,

39. Amendment of section 89: In section 89 of the Income-tax Act, the following proviso shall be inserted with effect from the 1st day of April, 2010, namely:-

"Provided that no such relief shall be granted in respect of any amount received or receivable by an assessee on his voluntary retirement or termination of his service, in accordance with any scheme or schemes of voluntary retirement or in the case of a public sector company referred to in sub-clause(i) of clause (10C) of section 10, a scheme of voluntary separation, if an exemption in respect of any amount received or receivable on such voluntary retirement or termination of his service or voluntary separation has been claimed by the assessee under clause (10C) of section 10 in respect of such, or any other assessment year",

40. Substitution of new section 90 : For section 90 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of October, 2009, namely:-

"90. Agreement with foreign countries or specified territories: (1) The Central Government may enter into an agreement with the Government of any country outside India or specified territory outside India,

(a) for the granting of relief in respect of-

(i) income on which have been paid both income-tax under this Act and income-tax in that country or specified territory, as the case may be, or

(ii) income-tax chargeable under this Act and under the corresponding law in force in that country or specified territory, as the case may be, to promote mutual economic relations, trade and investment, or

(b) for the avoidance of double taxation of income under this Act and under the corresponding law in force in that country or specified territory, as the case may be, or

(c) for exchange of information for the prevention of evasion or avoidance of income-tax chargeable under this Act or under the corresponding law in force in that country or specified territory, as the case may be, or investigation of cases of such evasion or avoidance, or

(d) for recovery of income-tax under this Act and under the corresponding law in force in that country or specified territory, as the case may be, and may, by notification in the Official Gazette, make such provisions as may be necessary for implementing the agreement.

(2) Where the Central Government has entered into an agreement with the Government of any country outside India or specified territory outside India, as the case may be under sub-section (1) for granting relief of tax, or as the case may be, avoidance of double taxation, then, in relation to the assessee to whom such agreement applies, the provisions of this Act shall apply to the extent they are more beneficial to that assessee.

(3) Any term used but not defined in this Act or in the agreement referred to in sub-section (1) shall, unless the context otherwise requires, and is not inconsistent with the provisions of this Act or the agreement, have the same meaning as assigned to it in the notification issued by the Central Government in the Official Gazette in this behalf.

Explanation1: For the removal of doubts, it is hereby declared that the charge of tax in respect of a foreign company at a rate higher than the rate at which a domestic company is chargeable, shall not be regarded as less favourable charge or levy of tax in respect of such foreign company.

Explanation 2: For the purposes of this section, "specified territory" means any area outside India which may be notified as such by the Central Government'

41. Amendment of section 92C: In section 92C of the Income-tax Act, in sub-section (2), for the proviso, the following provisos shall be substituted with effect from the 1st day of October, 2009, namely:

"Provided, that where more than one price is determined by the most appropriate method, the arm's length price shall be taken to be the arithmetical mean of such prices:

Provided further that if the variation between that arm's length price so determined and price at which the international transaction has actually been undertaken does not exceed five per cent of the latter, the price at which the international transaction has actually been undertaken shall be deemed to be the arm's length price",

42. Insertion of new section 92CB: After section 92CA of the Income-tax Act, the following section shall be inserted, namely:

"92CB. Power of Board to make safe harbour rules: (1) The determination of arm's length price under section 92 C or section 92CA shall be subject to safe harbour rules.

(2) The Board may, for the purposes of sub-section (1), make rules for safe harbour.

Explanation: For the purposes of this section, "safe harbour" means circumstances in which the income-tax authorities shall accept the transfer price declared by the assessee',

43. Amendment of section 115BBC: In section 115BBC of the Income-tax Act, in sub-section (1), with effect from the 1st day of April, 2010:-

(a) for clause (i), the following clause shall be substituted, namely:

"(i) the amount of income-tax calculated at the rate of thirty per cent on the aggregate of anonymous donations received in excess of the higher of the following, namely:

(A) five per cent, of the total donations received by the assessee; or

(B) one lakh rupees; and

(b) for clause (ii), the following clause shall be substituted, namely:-

(ii) the amount of income-tax with which the assessee would have been chargeable had his total income been reduced by the aggregate of anonymous donations received'',

44. Amendment of section 115JA: In section 115JA of the Income-tax Act, in sub-section (2), after the second proviso, in the Explanation, after clause (f), for the words, brackets and letters "if any amount referred to in clauses (a) to (f) is debited to the profit and loss account, and as reduced by, -" the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1998, namely:

"(g) the amount or amounts set aside as provision for diminution in the value of any asset,

if any amount referred to in clauses (a) to (g) is debited to the profit and loss account, and as reduced by-

45. Amendment of section 115JAA: In section 115JAA of the Income-tax Act, in sub-section (3A), for the words "seventh assessment year" the words "tenth assessment year" shall be substituted with effect from the 1st day of April, 2010.

46. Amendment of section 115JB: In section 115JB of the Income-tax Act,-

(a) in sub-section (I), with effect from the 1st day of April ,2010-

(i) for the words, figures and letters "the 1st day of April, 2007" the words, figures and letters" the 1st day of April, 2010" shall be substituted;

(ii) for the words "ten per cent" at both the places where they occur, the words "fifteen per cent" shall be substituted;

(b) in sub-section (2), after the second proviso, in Explanation 1, after clause (h), for the words, brackets and letters "if any amount referred to in clauses (a) to (h) is debited to the profit and loss account, and as reduced by-" the following shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 2001, namely:-

"(1) the amount or amounts set aside as provision for diminution in the value of any asset,

if any amount referred to in clauses (a) to (i) is debited to the profit and loss account, and as reduced by-,

47. Amendment of section 115-O: In section 115-O of the Income-tax Act, for sub-section (1A), the following shall be substituted, namely:-

"(1A) The amount referred to in sub-section (1) shall be reduced by-,

(i) the amount of dividend, if any, received by the domestic company during the financial year, if-

(a) such dividend is received from its subsidiary;

(b) the subsidiary has paid tax under this section on such dividend; and

(c) the domestic company is not a subsidiary of any other company;

Provided that the same amount of dividend shall not be taken into account for reduction more than once;

(ii) the amount of dividend, if any, paid to any person for, or on behalf of the New Pension System Trust referred to in clause (44) of section 10.

Explanation:- For the purposes of this sub-section, a company shall be a subsidiary of another company, if such other company, holds more than half in nominal value of the equity share capital of the company'',

48. Amendment of section 115WE: In section 115WE of the Income-tax, Act, in sub-section (IB), for the words, figures and letters" after the 31st day of March, 2009" the words, figures and letters" after the 31st day of March, 2010" shall be substituted.

49. Insertion of new section 115WM: After section 115WL of the Income-tax Act, the following section shall be inserted, namely:

"115WM: Chapter XII-H not to apply after a certain date: Nothing contained in this Chapter shall apply, in respect of any assessment for the assessment year commencing on the 1st day of April, 2010 or any subsequent assessment year",

50. Amendment of section 131: In section 131 of the Income-tax Act, in sub-section (1), for the words "and Chief Commissioner or Commissioner" the words "Chief Commissioner or Commissioner and the Dispute Resolution Panel referred to in clause (a) of sub-section (15) of section 144C" shall be substituted with effect from the 1st day of October, 2009.

51. Amendment of section 132: In section 132 of the Income-tax Act,

(a) in sub-section (1),-

(i) for the words "Where the Director General or Director or the Chief Commissioner or Commissioner or any such Joint Director or Joint Commissioner as may be empowered in this behalf by the Board" the words "Where the Director General or Director or the Chief Commissioner or Commissioner or Additional Director or Additional Commissioner "shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 1994;

(ii) after the words "Where the Director General or Director or the Chief Commissioner or Commissioner or Additional Director or Additional Commissioner" as so substituted, the words "or Joint Director or Joint Commissioner" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1998;

(iii) in clause (A), after the words ",may authorise any" the words "Additional Director or Additional Commissioner or" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June 1994;

(iv) in clause (B), after the word "such" the words "Additional Director or Additional Commissioner or " shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 1994;

(v) after the third proviso, the following proviso shall be inserted, namely:

"Provided also that no authorisation shall be issued by the Additional Director or Additional Commissioner or Joint Director or Joint Commissioner on or after the 1st day of October, 2009 unless he has been empowered by the Board to do so",

(b) in sub-section (1A);

(i) for the words “Commissioner or any such Joint Director or Joint Commissioner as may be empowered in this behalf by the Board” the words “Commissioner or Additional Director or Additional Commissioner” shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 1994;

(ii) after the words “Commissioner or Additional Director or Additional Commissioner” as so substituted the words “or Joint Director or Joint Commissioner” shall be inserted and shall be deemed to have been inserted with effect from the 1st day of October, 1998.

52. Amendment of section 132A: In section 132A of the Income-tax Act, in sub-section (I), after clause (c), after the words “Chief Commissioner or Commissioner may authorise any” the words “Additional Director, Additional Commissioner”, shall be inserted and shall be deemed to have been inserted with effect from the 1st day of June, 1994.

53. Amendment of section 139A: In section 139A of Income-tax Act, with effect from the 1st day of October, 2009-

(a) in sub-section (5B), in clause (iv), the word “quarterly” shall be omitted;

(b) in sub-section (5D), in clause (iii) the word “quarterly” shall be omitted;

54. Amendment of section 140: In section 140 of the Income –tax Act, after clause (cc), the following clause shall be inserted with effect from the 1st day of April, 2010 namely:-

“(cd) in the case of a limited liability partnership, by the designated partner thereof, or where for any unavoidable reason such designated partner is not able to sign and verify the return, or where there is no designated partner as such, by any partner thereof”.

55. Amendment of section 143: In section 143 of the Income-tax Act, in sub-section (1B), for the words, figures and letters : after the 31st day of March, 2009” the words, figures and letters “after the 31st day of March, 2010” shall be substituted.

56. Insertion of new section 144C: After section 144B of the Income-tax Act, the following section shall be inserted, namely:-

“144C. Reference to Dispute Resolution Panel: (1) The Assessing Officer shall, notwithstanding anything to the contrary contained in this Act, in the first, instance, forward a draft of the proposed order of assessment (hereafter in this section referred to as the draft order) to the eligible assessee if he proposes to make, on or after the 1st day of October, 2009, any variation in the income or loss returned which is prejudicial to the interest of such assessee.

(2) On receipt of the draft order, the eligible assessee shall within thirty days of the receipt by him of the draft order,-

(a) file his acceptance of the variations to the Assessing Officer; or

(b) file his objections, if any, to such variation with,-

(i) the Dispute Resolution Panel’ and

(ii) the Assessing Officer,

(3) The Assessing Officer shall complete the assessment on the basis of the draft order, if-

(a) the assessee intimates to the Assessing Officer the acceptance of the variation; or

(b) no objections are received within the period specified in sub-section (2).

(4) The Assessing Officer shall, notwithstanding anything contained in section 153, pass the assessment order under sub-section (3) within one month from the end of the month in which-

(a) the acceptance is received; or

(b) the period of filing of objections under sub-section (2) expires.

(5) The Dispute Resolution Panel shall, in a case where any objection is received under sub-section (2), issue such directions, as it thinks fit, for the guidance of the Assessing Officer to enable him to complete the assessment.

(6) The Dispute Resolution Panel shall issue the directions referred to in sub-section (5), after considering the following, namely-

(a) draft order;

(b) objections filed by the assessee;

(c) evidence furnished by the assessee;

(d) report, if any, of the Assessing Officer, Valuation Officer or Transfer Pricing Officer or any other authority;

(e) records relating to the draft order;

(f) evidence collected by, or caused to be collected by, it; and

(g) result of any enquiry made by, or caused to be made by, it.

(7) The Dispute Resolution Panel may, before issuing any directions referred to in sub-section (5)-

(a) make such further enquiry, as it thinks fit ;or

(b) cause any further enquiry to be made by any income-tax authority and report the result of the same to it.

(8) The Dispute Resolution Panel may confirm, reduce or enhance the variations proposed in the draft order so, however that it shall not set aside any proposed variation or issue any direction under sub-section (5) for further enquiry and passing of the assessment order.

(9) If the members of the Dispute Resolution Panel differ in opinion on any point, the point shall be decided according to the opinion of the majority of the members.

(10) Every direction issued by the Dispute Resolution Panel shall be binding on the Assessing Officer.

(11) No direction under sub-section (5) shall be issued unless an opportunity of being heard is given to the assessee and the Assessing Officer on such directions which are prejudicial to the interest of the assessee or the interest of the revenue, respectively.

(12) No direction under sub-section (5) shall be issued after nine months from the end of the month in which the draft order is forwarded to the eligible assessee.

(13) Upon receipt of the directions issued under sub-section (5), the Assessing Officer shall, in conformity with the directions, complete, notwithstanding anything to the contrary contained in section `153, the assessment without providing any further opportunity of being heard to the assessee, within one month from the end of the month in which such direction is received.

(14) The Board may make rules for the purposes of the efficient functioning of the Dispute Resolution Panel and expeditions disposal of the objections filed under sub-section (2) by the eligible assessee.

(15) For the purposes of this section,-

(a) “Dispute Resolution Panel” means a collegium comprising of three Commissioners of Income-tax constituted by the Board for this purpose;

(b) “eligible assessee” means-

(i) any person in whose case the variation referred to in sub-section (1) arises as a consequence of the order of the Transfer Pricing Officer passed under sub-section (3) of section 92CA; and

(ii) any foreign company',

57. Substitution of new section for section 145A: For section 145A of the Income-tax Act, the following section shall be substituted with effect from the 1st day of April, 2010, namely:

'145A. Method of accounting in certain cases: Notwithstanding anything to the contrary contained in section 145,-

(a) the valuation of purchase and sale of goods and inventory for the purposes of determining the income chargeable under the head "Profits and gains of business or profession" shall be-

(i) in accordance with the method of accounting regularly employed by the assessee; and

(ii) further adjusted to include the amount of any tax, duty cases or fee (by whatever name called) actually paid or incurred by the assessee to bring the goods to the place of its location and conditions as on the date of valuation.

Explanation:- For the purposes of this section , any tax, duty cess or fee (by whatever name called) under any law for the time being in force, shall include all such payment notwithstanding any right arising as a consequence to such payment.

(b) interest received by an assessee on compensation or on enhanced compensation, as the case may be, shall be deemed to be the income of the year in which it is received;

58. Amendment of section 147: In section 147 of the Income-tax Act, after Explanation 2, the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1989, namely:-

"Explanation 3- For the purposes of assessment or reassessment under this section, the Assessing Officer may assess or reassess the income in respect of any issue, which has escaped assessment, and such issue comes to his notice subsequently in the course of the proceedings under this section ,notwithstanding that the reasons for such issue have not been included in the reasons recorded under sub-section (2) of section 148",

59. Insertion of new section 167C: After section 167B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2010, namely:-

"167C. Liability of partners of limited liability partnership in liquidation: Notwithstanding anything contained in the Limited Liability partnership Act, 2008, where any tax due from a limited liability partnership in respect of any income of any previous year or from any other person in respect of any income of any previous year during which such other person was a limited liability partnership cannot be recovered, in such case, every person who was a partner of the limited liability partnership at any time during the relevant previous year, shall be jointly and severally liable for the payment of such tax unless he proves that the non-recovery cannot be attributed to any gross neglect, misfeasance or breach of duty on his part in relation to the affairs of the limited liability partnership".

60. Amendment of section 194A: In section 194A of the Income-tax Act, in sub-section (3), in clause (x), after the words "public sector company" at both the places where they occur, the words "or scheduled bank" shall be inserted.

61. Substitution of new section for section 194C: For section 194C of the Income-tax Act, the following section shall be substituted with effect from the 1st day of October, 2009 namely:-

"194C. Payments to contractors: (1) Any person responsible for paying any sum to any resident (hereafter in this section referred to as the contractor) for carrying out any work (including supply of labour for carrying out any work) in pursuance of a contract between the contractor and a specified person shall, at the time of credit of such sum to the account of the contractor or at the time of payment thereof in cash or by issue or a cheque or draft or by any other mode, whichever is earlier, deduct an amount equal to-

(i) one per cent where the payment is being made or credit is being given to an individual or a Hindu undivided family:

(ii) two per cent where the payment is being made or credit is being given to a person other than an individual or a Hindu undivided family,

of such sum as income-tax on income comprised therein.

(2) Where any sum referred to in sub-section (1) is credited to any account, whether called "Suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be credit of such income to the account of the payee and the provisions of this section shall apply accordingly.

(3) Where any sum is paid or credited for carrying out any work mentioned in sub-clause (e) of clause (iv) of the Explanation, tax shall be deducted at source-

(i) on the invoice value excluding the value of material, if such value is mentioned separately in the invoice; or

(ii) on the whole of the invoice value, if the value of material is not mentioned separately in the invoice.

(4) No individual or Hindu undivided family shall be liable to deduct income-tax on the sum credited or paid to the account of the contractor where such sum is credited or paid exclusively for personal purposes of such individual or any member of Hindu undivided family;

(5) No deduction shall be made from the amount of any sum credited or paid or likely to be credited or paid to the account of, or to the contractor, if such sum does not exceed twenty thousand rupees:

Provided that where the aggregate of the amounts of such sums credited or paid or likely to be credited or paid during the financial year exceeds fifty thousand rupees, the person responsible for paying such sums referred to in sub-section (1) shall be liable to deduct income-tax under this section.

(6) No deduction shall be made from any sum credited or paid or likely to be credited or paid during the previous year to the account of a contractor during the course of business of plying, hiring or leasing goods carriages, on furnishing of his Permanent Account Number, to the person paying or crediting such sum.

(7) The person responsible for paying or crediting any sum to the person referred to in sub-section (6) shall furnish, to the prescribed income-tax authority or the person authorized by it, such particulars, in such from and within such time as may be prescribed.

Explanation: For the purposes of this section,

(i) "specified person" shall mean,-

(a) the Central Government or any State Government; or

(b) any local authority; or

(c) any corporation established by or under a Central, State or Provincial Act; or

(d) any company; or

(e) any co-operative society; or

(f) any authority, constituted in India by or under any law, engaged either for the purpose of dealing with and satisfying the need for housing accommodation or for the purpose of planning, development or improvement of cities, towns and villages, or for both ;or

(g) any society registered under the Societies Registration Act 1860 (21 of 1860) or under any law corresponding to that Act in force in any part of India; or

(h) any trust; or

(i) any university established or incorporated by or under a Central State or provincial Act and an institution declared to be a university under section 3 of the University Grants Commission Act, 1956 ; (3 of 1956) or;

(j) any Government of a foreign State or a foreign enterprise or any association or body established outside India; or

(k) any firm ;or

(l) any person, being an individual or a Hindu undivided family or an association of persons or a body of individuals, if such person,-

(A) does not fall under any of the preceding sub-clauses; and

(B) is liable to audit of accounts under clause (a) or clause (b) of section 44AB during the financial year immediately preceding the financial year in which such sum is credited or paid to the account of the contractor;

(ii) "goods carriage" shall have the meaning assigned to it in the Explanation to sub-section (7) of section 44AE;

(iii) "contract" shall include sub-contract;

(iv) "work" shall include-

(a) advertising;

(b) broadcasting and telecasting including production of programmes for such broadcasting or telecasting;

(c) carriage of goods or passengers by any mode of transport other than by railways;

(d) catering;

(e) manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from such customer.

but does not include manufacturing or supplying a product according to the requirement or specification of a customer by using material purchased from a person, other than such customer',

62. Amendment of section 194-I: In section 194-I of the Income-tax Act, for clauses (a), (b) and (c) the following clauses shall be substituted with effect from the 1st day of October, 2009, namely:-

"(a) two per cent, for the use of any machinery or plant or equipment; and

(b) ten per cent, for the use of any land or building (including factory building) or land appurtenant to a building (including factory building) or furniture or fittings."

63. Amendment of section 197A: In section 197A of the Income-tax Act, after sub-section (1D), the following sub-section shall be inserted, namely:-

"(1E) Notwithstanding anything contained in this Chapter, no deduction of tax shall be made from any payment to any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10"

64. Amendment of section 200: In section 200 of the Income-tax Act, in sub-section (3), for the words, figures and letters "prepare quarterly statements for the period ending on the 30th June, the 30th September the 31st December and the 31st March in each financial year" the words "prepare such statements for such period as may be prescribed" shall be substituted with effect from the 1st day of October, 2009.

65. Insertion of new section 200A: After section 200 of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2010, namely:-

"200A. Processing of statements of tax deducted at source: (1) Where a statement of tax deduction at source has been made by a person deducting any sum (hereafter referred to in this section as deductor) under section 200, such statement shall be processed in the following manner, namely-

(a) the sums deductible under this Chapter shall be computed after making the following adjustments, namely:-

(i) any arithmetical error in the statement ;or

(ii) an incorrect claim, apparent from any information in the statement;

(b) the interest, if any, shall be computed on the basis of the sums deductible as computed in the statement;

(c) the sum payable by or the amount of refund due to, the deductor shall be determined after adjustment of amount computed under clause (b) against any amount paid under section 200 and section 201, and any amount paid otherwise by way of tax or interest;

(d) an intimation shall be prepared or generated and sent to the deductor specifying the sum determined to be payable by, or the amount of refund due to him under clause (c); and

(e) the amount of refund due to the deductor in pursuance of the determination under clause (c) shall be granted to the deductor;

Provided that no intimation under this sub-section shall be sent after the expiry of one year from the end of the financial year in which the statement is filed.

Explanation: For the purposes of this sub-section, "an incorrect claim apparent from any information in the statement "shall mean a claim, on the basis of an entry, in the statement-

(i) of an item, which is inconsistent with another entry of the same or some other item in such statement;

(ii) in respect of rate of deduction of tax at source, where such rate is not in accordance with the provisions of this Act,

(2) For the purposes of processing of statements under sub-section (1), the Board may make a scheme for centralised processing of statement of tax deducted at source to expeditiously determine the tax payable by, or the refund due to, the deductor as required under the said sub-section',

66. Amendment of section 201: In section 201 of the Income-tax Act,-

(a) in sub-section (1A), for the words "the quarterly statement for each quarter" the words "the statement" shall be substituted with effect from the 1st day of October, 2009,;

(b) after sub-section (2), the following sub-sections shall be inserted with effect from the 1st day of April, 2010, namely:-

"(3) No order shall be made under sub-section (1) deeming a person to be an assessee in default for failure to deduct the whole or any part of the tax from a person resident in India, at any time after the expiry of-

(i) two years from the end of the financial year in which the statement is filed in a case where the statement referred to in section 200 has been filed;

(ii) four years from the end of the financial year in which payment is made or credit is given, in any other case;

Provided that such order for a financial year commencing on or before the 1st day of April, 2007 may be passed at any time on or before the 31st day of March, 2011.

(4) The provisions of sub-clause (ii) of sub-section (3) of section 153 and of Explanation 1 to section 153 shall, so far as may, apply to the time limit prescribed in sub-section (3)",

67. Amendment of section 203A: In section 203A of the Income-tax, Act, in sub-section (2), in clause (ba), the word "quarterly" shall be omitted with effect from the 1st day of October, 2009.

68. Amendment of section 206A: In section 206A of the Income-tax Act, with effect from the 1st day of October, 2009-

(a) in sub-section (1), for the words, figures and letters "quarterly returns for the period ending on the 30th June, the 30th September, the 31st December and the 31st March in each financial year" the words "such statements for such period as may be prescribed" shall be substituted;

(b) in sub-section (2), for the words "quarterly returns", the words "such statements" shall be substituted.

69. Insertion of new section 206AA: After section 206A of the Income-tax Act, the following section shall be inserted with effect from the 1st day of April, 2010, namely:-

"206AA. Requirement to furnish Permanent Account Number: (1) Notwithstanding anything contained in any other provisions of this Act, any person entitled to receive any sum or income or amount, on which tax is deductible under Chapter XVIIB (hereafter referred to as deductee) shall furnish his Permanent Account Number to the person responsible for deducting such tax (hereafter referred to as deductor), failing which tax shall be deducted at the higher of the following rates, namely:-

(i) at the rate specified in the relevant provision of this Act; or

(ii) at the rate or rates in force;or

(iii) at the rate of twenty per cent.

(2) No declaration under sub-section (1) or sub-section (1A) of sub-section (1C) of section 197A shall be valid unless the person furnishes his Permanent Account Number in such declaration.

(3) In case any declaration becomes invalid under sub-section (2), the deductor shall deduct the tax at source in accordance with the provisions of sub-section (1).

(4) No certificate under section 197 shall be granted unless the application made under that section contains the permanent Account Number of the applicant.

(5) The deductee shall furnish his Permanent Account Number to the deductor and both shall indicate the same in all the correspondence, bills, vouchers and other documents which are sent to each other.

(6) Where the Permanent Account Number provided to the deductee is invalid or does not belong to the deductee, it shall be deemed that the deductee has not furnished his Permanent Account Number to the deductor and the provisions of sub-section (1) shall apply accordingly:-

70. Amendment of section 206C: in section 206C of the Income-tax Act, in sub-section (3), in the proviso, for the words figures and letters "prepare quarterly statements for the period ending on the 30th June, the 30th September, the 31st December and the 31st March in each financial year" the words

"prepare such statements for such statements for such period as may be prescribed" shall be substituted with effect from the 1st day of October, 2009.

71. Amendment of section 208: In section 208 of the Income-tax Act, for the words "five thousand rupees" the words "ten thousand rupees" shall be substituted.

72. Amendment of section 246A: In section 246A of the Income-tax Act, in sub-section (I), with effect from the 1st day of October, 2009-

(i) in clause (a) for the words, brackets and figures "under sub-section (3) of section 143", the words, brackets and figures "under sub-section (3) of section 143 except an order passed in pursuance of directions of the Dispute Resolution Panel" shall be substituted;

(ii) in clause (b), after the words and figures "under section 147", the words "except an order passed in pursuance of directions of the Dispute Resolution Panel" shall be inserted.

73. Amendment of section 253: In section 253 of the Income-tax Act, in sub-section (1), with effect from the 1st day of October, 2009-

(a) in clause (c), for the words, figures and letter "Director under section 272A", the words, figures and letter "Director under section 272A; or " shall be substituted;

(b) after clause (c), the following clause shall be inserted, namely:-

"(d) an order passed by an Assessing Officer under sub-section (3), of section 143 or section 147 in pursuance of the directions of the Dispute Resolution Panel or an order passed under section 154 in respect of such order'',

74. Amendment of section 271: In section 271 of the Income-tax Act, in sub-section (1), for Explanation 5A, the following Explanation shall be substituted and shall be deemed to have been substituted with effect from the 1st day of June, 2007, namely:-

"Explanation 5A:- Where, in the course of a search initiated under section 132 on or after the 1st day of June, 2007, the assessee is found to be the owner of-

(i) any money, bullion, jewellery or other valuable article or thing (hereafter in this Explanation referred to as assets) and the assessee claims that such assets have been acquired by him by utilizing (Wholly or in part) his income for any previous year; or

(ii) any income based on any entry in any books of account or other documents or transactions and he claims that such entry in the books of account or other documents or transactions represents his income (wholly or in part) for any previous year,

which has ended before the date of search and,-

(a) where the return of income for such previous year has been furnished before the said date but such income has not been declared therein; or

(b) the due date for filling the return of income for such previous year has expired but the assessee has not filed the return,

then, notwithstanding that such income is declared by him in any return of income furnished on or after the date of search, he shall, for the purposes of imposition of a penalty under clause (c) of sub-section (1) of this section, be deemed to have concealed the particulars of his income or furnished inaccurate particulars of such income",

75. Amendment of section 272A: In section 272A of the Income-tax Act, in sub-section (2), in clause (1), for the words "quarterly return" ,the word "statements" shall be substituted with effect from the 1st day of October, 2009.

76. Amendment of section 281B: In section 281B of the Income-tax Act, in sub-section (2)_, after the second proviso, the following proviso shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1988, namely:-

"Provided also that the period during which the proceedings for assessment or reassessment are stayed by an order or injunction of any court shall be excluded from the period specified in the first proviso''

77. Substitution of new section for section 282: For section 282 of the Income-tax Act, the following section shall be substituted with effect from the 1st day of October, 2009, namely:

"282. Service of notice generally: (1) The service of a notice or summon or requisition or order or any other communication under this Act (hereafter in this section referred to as" communication") may be made by delivering or transmitting a copy thereof, to the person therein named,-

(a) by post or by such courier services as may be approved by the Board; or

(b) in such manner as provided under the Code of Civil Procedure, 1908 (5 of 1908) for the purposes of service of summons; or

(c) in the form of any electronic record as provided in Chapter IV of the Information Technology Act, 2000; (21 of 2000) or

(d) by any other means of transmission of documents as provided by rules made by the Board in this behalf.

(2) The Board may make rules providing for the addresses (including the address for electronic mail or electronic mail message) to which the communication referred to in sub-section (1) may be delivered or transmitted to the person therein named.

Explanation: For the purposes of this section, the expressions "electronic mail" and "electronic mail message" shall have the meanings as assigned to them in Explanation to section 66A of the Information Technology Act, 2000 (21 of 2000).

78. Insertion of new section 282B : After section 282A of the Income-tax, Act, the following section shall be inserted with effect from the 1st day of October, 2010, namely:-

"282B. Allotment of Document Identification Number: (1) Every income-tax authority shall allot a computer generated Document Identification Number in respect of every notice, order letter or any correspondence issued by him to any other income-tax authority or assessee or any other person and such number shall be quoted thereon.

(2) Where the notice, order, letter or any correspondence, issued by any income-tax authority, does not bear a Document Identification Number referred to in sub-section (1), such notice, order, letter or any correspondence shall be treated as invalid and shall be deemed never to have been issued.

(3) Every document, letter or any correspondence, received by an income-tax authority or on behalf of such authority, shall be accepted only after allotting and quoting of a computer generated Document Identification Number.

(4) Where the document letter or any correspondence received by any income-tax authority or on behalf of such authority does not bear the Document Identification Number referred to in sub-section (3), such document, letter or any correspondence shall be treated as invalid and shall be deemed never to have been received",

79. Insertion of new section 293C: After section 293B of the Income-tax Act, the following section shall be inserted with effect from the 1st day of October, 2009, namely:-

"293C. Power to withdraw approval: Where the Central Government or the Board or an income-tax authority, who has been conferred upon the power under any provision of this Act to grant any approval to any assessee, the Central Government or the Board or such authority may, notwithstanding that a provision to withdraw such approval has not been specifically provided for in such provision, withdraw such approval at any time;

Provided that the Central Government or Board or income-tax authority shall, after giving a reasonable opportunity of showing cause against the proposed withdrawal to the assessee concerned, at any time, withdraw the approval after recording the reasons for doing so",

80. Amendment of First Schedule: In the First Schedule to the Income-tax Act, in rule 5-

(i) for the portion beginning with the words "balance of the profits" and ending with the words "Controller of Insurance", the following shall be substituted with effect from the 1st day of April, 2011, namely:-

"profit before tax and appropriations as disclosed in the profit and loss account prepared in accordance with the provisions of the Insurance Act, 1938 (4 of 1938) or the rules made there under or the provisions of the Insurance Regulatory and Development Authority Act, 1999 (4 of 1999) or the regulations made thereunder;,

(ii) after clause (a), the following clause shall be inserted with effect from the 1st day of April, 2011 namely:-

"(b) (i) deduction in respect of any amount either written off or provided in the accounts to meet diminution in or loss on realization of investments in accordance with the regulations made by the Insurance Regulatory and Development Authority;

(ii) increase in respect of any amount taken credit for in the accounts on account of appreciation of or gains on realization of investments in accordance with the regulations made by the Insurance Regulatory and Development Authority;''

81. Amendment of Fourth Schedule: In the Fourth Schedule to the Income-tax Act, in Part A, in rule 3, in sub-rule (1), in the first proviso, for the figures, letters and words "31st day of March 2009", the figures, letters and words "31st day of December, 2010" shall be substituted.

82. Amendment of Thirteenth Schedule: In the Thirteenth Schedule to the Income-tax Act, under part B, for S.No. 19 and the entries relating thereto, the following S.NO. and the entries shall be substituted with effect from the 1st day of April, 2010, namely:-

Sl. No.	Activity or article or thing	Excise classification	Sub-class under National Industrial Classification (NIC), 1998
"19	Manufacture of pulp-wood pulp, mechanical or Chemical (including dissolving pulp)	4701.00	
	Newsprint in rolls or sheets	4801.00	
	Writing or printing paper for printing of educational textbooks	4802.10	
	Paper or paperboard, in the manufacture of which (a) the principal process of lifting the pulp is done by hand; and	4802.20	

Sl. No.	Activity or article or thing	Excise classification	Sub-class under National Industrial Classification (NIC), 1998
	(b) if power driven sheet forming equipment is used, the Cylinder Mould Vat does not exceeds 40 inches		
	Maplitho paper supplied to a Braille press against an indent placed by the National Institute for Visually Handicapped, Dehradun	4802.30	
	Others	4802.90	
	Toilet or facial tissue stock, towel or napkin stock and similar paper of a kind used for household or sanitary purposes, cellulose wadding and webs of cellulose fibres, whether or not creped, crinkled, embossed perforated, surfact-coloured, surface decorated or printed, in rolls of a width exceeding 36 cms. or in rectangular (including square) sheets with at least one side exceeding 36 cms. in unfolded state	4803.00	
	Kraft paper supplied to a Braille press against an indent placed by the National Institute for Visually Handicapped, Dehradun	4804.10	
	Kraft paper and paperboard used in the manufacture of cartons for packing of horticultural produce	4804.20	
	Others	4804.90	
	Other uncoated paper and paperboard, in roll or sheets not further worked or processed than as specified in Note 2 to this Chapter	4805.00	
	Grease –proof paper	4806.10	
	Glassine and other glazed transparent or translucent paper	4806.20	
	others	4806.90	
	Straw Board, in the manufacture of which sub-drying process has been employed	4807.91	
	Straw paper and other straw board, whether or not covered with paper other than straw paper	4807.92	
	Other	4807.99	
	Carbon or similar copying papers	4809.10	
	Self-copy paper	4809.20	
	Others	4809.90	

Sl. No.	Activity or article or thing	Excise classification	Sub-class under National Industrial Classification (NIC), 1998
	Paper and paperboard of a kind used for writing, printing or other graphic purposes	4810.10	
	Kraft paper and paperboard other than that of a kind used for writing, printing or other graphic purposes	4810.20	
	Other paper and paperboard	4810.90	
	Tarred, bituminized or asphalted paper and paperboard	4811.10	
	Gummed or adhesive paper and paperboard	4811.20	
	Paper and paperboard coated, impregnated or covered with plastic (excluding adhesives)		
	Products consisting of sheets of paper or paperboard, impregnated, coated or covered with plastics (including thermoset resins or mixtures thereof or chemical formulations containing melamine, phenol, urea formaldehyde with or without curing agents or catalysts), compressed together in one or more operations, Products known commercially as decorative laminates	4811.31	
	Others	4811.39	
	Paper and paperboard, coated , impregnated or covered with wax, paraffin wax, stearin, oil, or glycerol	4811.40	
	Other	4811.90	
	Cigarette paper, whether or not cut to size or in the form of booklets or tubes	4813.00	

Wealth-tax

83. Amendment of section 3: In section 3 of the Wealth-tax Act, 1957 (27 of 1957)(hereinafter referred to as the Wealth-tax Act), after sub-section (2), the following proviso shall be inserted with effect from the 1st day of April, 2010, namely:-

“Provided that in the case of every assessment year commencing on and from the 1st day of April, 2010, the provisions of this section shall have effect as if for the words “fifteen lakh rupees”, the words “thirty lakh rupees”, had been substituted.’

84. Amendment of section 44A: In section 44A of the Wealth-tax Act, in the Explanation, for the words “any country”, the words “any country outside India or any territory outside India” shall be substituted with effect from the 1st day of October, 2009.

CHAPTER IV

INDIRECT TAXES

Customs

85. Insertion of new section 26A: After section 26 of the Customs Act, 1962 (52 of 1962) (hereinafter referred to as the Customs Act) ,the following section shall be inserted, namely:-

"26A. Refund of import duty in certain cases: (1) where on the importation of any goods capable of being easily identified as such imported goods, any duty has been paid on clearance of such goods for home consumption, such duty shall be refunded to the person by whom or on whose behalf it was paid, if-

(a) the goods are found to be defective or otherwise not in conformity with the specifications agreed upon between the importer and the supplier of goods;

Provided that the goods have not been worked, repaired or used after importation except where such use was indispensable to discover the defects or non-conformity with the specifications;

(b) the goods are identified to the satisfaction of the Assistant Commissioner of Customs or Deputy Commissioner of Customs as the goods which were imported;

(c) the importer does not claim drawback under any other provision of this Act; and

(d) (i) the goods are exported ;or

(ii) the importer relinquishes his title to the goods and abandons them to customs; or

(iii) such goods are destroyed or rendered commercially valueless in the presence of the proper officer.

in such manner as may be prescribed and with period not exceeding thirty days from the date on which the proper officer makes an order for the clearance of imported goods for home consumption under section 47;

Provided that the period of thirty days may, on sufficient cause being shown, be extended by the Commissioner of customs for a period not exceeding three months:

Provided further that nothing contained in this section shall apply to the goods regarding which an offence appears to have been committed under this Act or any other law for the time being in force.

(2) An application for refund of duty shall be made before the expiry of six months from the relevant date in such form and in such manner as may be prescribed.

Explanation- For the purposes of this sub-section "relevant date" means-

(a) in cases where the goods are exported out of India, the date on which the proper officer makes an order permitting clearance and loading of goods for exportation under section 51;

(b) in case where the title to the goods is relinquished, the date of such relinquishment;

(c) in cases where the goods are destroyed or rendered commercially valueless, the date of such destruction or rendering of goods commercially valueless.

(3) No refund under sub-section (1) shall be allowed in respect of perishable goods and goods which have exceeded their shelf life or their recommended storage- before –use period.

(4) The Board may, by notification in the Official Gazette,specify any other condition subject to which the refund under sub-section (1) may be allowed;

86. Amendment of section 28F: In section 28F of the Customs Act, after sub-section (2), the following sub-sections shall be inserted with effect from such date as the Central Government may, by notification in the Official Gazette, appoint namely:-

(2A) Notwithstanding anything contained in sub-sections (1) and (2), or any other law for the time being in force, the Central Government may, by notification in the Official Gazette authorize an Authority constituted under section 245-O of the Income –tax Act, 1961, (43 of 1961) to act as an Authority under this Chapter.

(2B) On and from the date of publication of notification under sub-section (2A) the Authority constituted under sub-section (1) shall not exercise jurisdiction under this Chapter.

(2C) For the purposes of sub-section (2A), the reference to "an officer of the Indian Revenue Service who is qualified to be a Member of Central Board of Direct Taxes" in clause (b)_ of sub-section (2) of section 245-O of the Income-tax Act, 1961 (43 of 1961) shall be construed as reference to "an officer of the Indian Customs and Central Excise Service who is qualified to be a Member of the Board",

(2D) On and from the date of the authorization of Authority under sub-section (2A), every application and proceeding pending before the Authority constituted under sub-section (1) shall stand transferred to the Authority so authorized from the stage at which such proceedings stood before the date of such authorization;'

87. Amendment of section 130: In section 130 of the Customs Act, after sub-section (2) the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2003, namely:-

"(2A) The High Court may admit an appeal after the expiry of the period of one hundred and eighty days referred to in clause (a) of sub-section (2) if it is satisfied that there was sufficient cause for not filing the same within that period",

88. Amendment of section 130A: In section 130A of the Customs Act, after sub-section (3), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 1999 namely-

"(3A) The High Court may admit an application or permit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in sub-section (I) or sub-section (3), if it is satisfied that there was sufficient cause for not filing the same within that period."

89. Amendment of section 137: In section 137 of the Customs Act, in sub-section (3),-

(i) for the words "such compounding amount: the words "such compounding amount and in such manner of compounding" shall be substituted;

(ii) the following proviso shall be inserted, namely:-

"Provided that nothing contained in this sub-section shall apply to-

(a) a person who has been allowed to compound once in respect of any offence under sections 135 and 135A:

(b) a person who has been accused of committing an offence under this Act which is also an offence under any of the following Acts, namely-

(i) the Narcotic Drugs and Psychotripic Substances Act, 1985 (61 of 1985);

(ii) the Chemical Weapons Convention Act,2000; (34 of 2000)

(iii) the Arms Act, 1959; (54 of 1959)

(iv) the Wild Life (Protection) Act, 1972 (53 of 1972)

(c) a person involved in smuggling of goods falling under any of the following, namely;-

(i) goods specified in the list of Special Chemicals, Organisms, Materials, Equipment and Technology in Appendix 3 to Schedule 2 (Export Policy)of ITC (HS) Classification of Export and Import Items of the Foreign Trade Policy, as amended from time to time, issued under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992);

(ii) goods which are specified as prohibited items for import and export in the ITC (HS) Classification of Export and Import Items of the Foreign Trade Policy, as amended from time to time, issued under section 5 of the Foreign Trade (Development and Regulation) Act, 1992 (22 of 1992);

(iii) any other goods or documents, which are likely to affect friendly relations with a foreign state or are derogatory to national honour;

(d) a person who has been allowed to compound once in respect of any offence under this Chapter for goods of value exceeding rupees one crore;

(e) a person who has been convicted under this Act on or after the 30th day December, 2005",

90. Amendment of section 156: In section 156 of the Customs Act, in sub-section (2) in clause (h), for the words "for compounding" the words "for compounding and the manner of compounding" shall be substituted.

91. Amendment of section 157: In section 157 of the Customs Act, in sub-section (2), after clause (a), the following clauses shall be inserted, namely:-

"(ai) the manner of export of goods, relinquishment of title to the goods and abandoning them to customs and destruction or rendering of goods commercially valueless in the presence of the proper officer under clause (d) of sub-section (1) of section 26A;

(aii) the form and manner of making application for refund of duty under sub-section (2) of section 26A'',

92. Validation of certain actions taken by officers of customs appointed under section 4: (1) The notification of the Government of India, in the Ministry of Finance (Department of Revenue)No. 27/2009 –CUSTOMS (N.T) published in the Official Gazette, vide, number G.S.R. 173 (E), dated the 17th March 2009, issued for the purpose of appointment of officers of customs under sub-section (I) of section 4 read with sub-section (I) of section 5 of the Customs Act, shall be deemed to be, and to have always been, for all purposes, in force retrospectively on and from the 9th day of May, 2000 and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,-

(a) any action taken or anything done by officers of customs appointed by the said notification to discharge duties as an officer of customs on and from the 9th day of May, 2000 to the 16th day of March, 2009, shall for all purposes, be deemed to be, and to have always been, validly taken or done as if the appointment so made with respect to the area of jurisdiction specified in the said notification was in force at all material times;

(b) no suit or other proceedings shall be instituted, maintained or continued in any court, tribunal or other authority against the Central Government or officers of customs appointed by the said notification for any action taken or anything done in good faith during the discharge of his duties as an officer of customs during the period on and from the 9th day of May, 2000 to the 16th day of March, 2009, as if the appointment made with respect to the area of jurisdiction specified in the said notification was in force at all material times;

(c) recovery made of any amount of duty or interest or penalty or fine or other charges by or under the order or direction of officers of customs appointed by the said notification during the period on and from the 9th day of May, 2000 to the 16th day of March, 2009 shall be deemed to be valid, and to have always, been for all purposes, as validly and effectively made as if the appointment made with respect to area of jurisdiction specified in the said notification was in force at all material times.

(2) For the purposes of sub-section (1) the Central Board of Excise and Customs shall have and shall be deemed to have always had the power to bring into force the said notification with retrospective effect as if the Central Board of Excise and Customs had the power to bring into force the said notification under sub-section (1) of section 4 read with sub-section (1) of section 5 of the Customs Act, retrospectively, at all material times.

Explanation:- For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if the said notification had not come into force retrospectively.

93. Amendment of notification issued under section 25 of the Customs Act: (1) The notification of the Government of India, in the Ministry of Finance (Department of Revenue) number G.S.R. 260 (E), dated the 1st May, 2006, issued under sub-section (1) of section 25 of the Customs Act shall stand amended and shall be deemed to have been amended in the manner as specified in column(3) of the Second Schedule, on and from the corresponding date mentioned in column (4) of that Schedule, retrospectively, and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any action taken or anything done or purported to have been taken or done under the said notification, shall be deemed to be, and to have always, been for all purposes, as validly and effectively taken or done as if the notification as amended by this sub-section had been in force at all material times.

(2) For the purposes of sub-section (1), the Central Government shall have and shall be deemed to have the power to amend the notification referred to in the said sub-section with retrospective effect as if the Central Government had the power to amend the said notification under sub-section (1) of section 25 of the Customs Act, retrospectively, at all material times.

(3) Recovery, shall be made of the amount which has not been paid but which would have been paid as if the amendment made by sub-section (I) had been in force at all material times from the day on which the Finance (No. 2) Bill, 2009 receives the assent of the President.

Explanation: For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

Customs tariff

94. Amendment of section 3: In section 3 of the Customs Tariff Act, 1975 (51 of 1975) (hereinafter referred to as the Customs Tariff Act), in sub-section (2), after the proviso, the following proviso shall be inserted, namely:-

“Provided further that in the case of an article imported into India, where the Central Government has fixed a tariff value for the like article produced or manufactured in India under sub-section (2) of section 3 of the Central Excise Act, 1944, (1 of 1944) the value of the imported article shall be deemed to be such tariff value” ,

95. Amendment of section 8B: in section 8B of the Customs Tariff Act, after sub-section (4), the following sub-section shall be inserted and shall be deemed to have been inserted on and from the 14th day of May, 1997, namely:-

"(4A) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made there under, including those relating to the date for determination of rate of duty, assessment, non-levy, short, levy, refunds, interest, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act",

96. Validation of certain actions taken under section 8B of Act 51 of 1975: Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any rule, regulation, notification or order made or issued under the Customs Act, or any notification or order issued under such rule or regulation at any time during the period commencing on and from the 14th day of May, 1997 and ending with the day, the Finance (No. 2) Bill, 2009 receives the assent of the President shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done or omitted to be done as if the amendment made in section 8B of the Customs Tariff Act, by section 95 of Finance (No. 2) Act, 2009 had been in force at all material times and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,-

(a) any action taken or anything done or omitted to be done, during the said period in respect of any goods, under any such rule, regulation, notification or order, shall be deemed to be and shall be deemed always to have been, as validly taken or done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court, tribunal or other authority for any action taken or anything done or omitted to be done, in respect of any goods, under any such rule, regulation, notification or order, and no enforcement shall be made by any court, of any decree or order relating to such action taken or anything done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(c) recovery shall be made of all such amounts of duty or interest or penalty or fine or other charges which have not been collected or, as the case may be which have been, refunded, as if the amendment made by the said section had been in force at all material times.

Explanation: For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

97. Amendment of section 8C: In section 8C of the Customs Tariff Act, after sub-section (5), the following sub-section shall be inserted and shall be deemed to have been inserted on and from the 11th day of May, 2002, namely:-

"(5A) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to the date for determination of rate of duty, assessment, non-levy, short levy, refunds, interest, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act",

98. Validation of certain actions taken under section 8C of Act 51 of 1975: Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any rule, regulation, notification or order made or issued under the Customs Act, or any notification or order issued under such rule or regulation at any time during the period commencing on and from the 11th day of May, 2002 and ending with the day, the Finance (No. 2) Bill, 2009 receives the assent of the President shall be deemed to be, and to have always been, for all purposes, as validly and effectively

taken or done or omitted to be done as if the amendment made in section 8C of the Customs Tariff Act by section 97 of the Finance (No. 2) Act,. 2009 had been in force at all material times and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority-,

(a) any action taken or anything done or omitted to be done, during the said period in respect of any goods, under any such rule, regulation, notification or order, shall be deemed to be and shall be deemed always to have been, as validly taken or done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court, tribunal or other authority for any action taken or anything done or omitted to be done, in respect of any goods, under any such rule, regulation, notification or order, and no enforcement shall be made by any court, of any decree or order relating to such action taken or anything done or amitted to be done as if the amendment made by the said section had been in force at all material times;

(c) recovery shall be made of all such amounts of duty or interest or penalty or fine or other charges which have not been collected or, as the case may be, which have been refunded as, if the amendment made by the said section had been in force at all material times.

Explanation:- For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

99. Amendment of section 9: In section 9 of the Customs Tariff Act, for sub-section (7A), the following sub-section shall be substituted and shall be deemed to have been substituted on and from the 1st day of January, 1995, namely:-

"(7A) The provisions of the Customs Act, 1962 and the rules and regulations made there under, including those relating to the date for determination of rate of duty, assessment, non-levy, short levy, refunds, interest, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act",

100. Validation of certain actions taken under section 9 of Act 51 of 1975: Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any rule, regulation, notification or order made or issued under the Customs Act, or any notification or order issued under such rule or regulation at any time during the period commencing on and from the 1st day of January, 1995 and ending with the day, the Finance (No. 2)Bill, 2009 receives the assent of the President shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done or omitted to be done as if the amendment made in section 9 of the Customs Tariff Act by section 99 of the Finance (No.2) Act, 2009 had been in force at all material times and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority-

(a) any action taken or anything done or omitted to be done, during the said period in respect of any goods, under any such rule, regulation, notification or order, shall be deemed to be and shall be deemed always to have been, as validly taken or done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court tribunal or other authority for any action taken or anything done or omitted to be done, in respect of any goods, under any

such rule, regulation notification or order, and no enforcement shall be made by any court, of any decree or order relating to such action taken or anything done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(c) recovery shall be made of all such amounts of duty or interest or penalty or fine or other charges which have not been collected or, as the case may be, which have been refunded, as if the amendment made by the said section had been in force at all material times.

Explanation:- For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

101. Amendment of section 9A: In section 9A of the Customs Tariff Act-,

(i) in sub-section (1), for the words "any article is exported" the words "any article is exported by an exporter or producer" shall be substituted;

(ii) after sub-section (6), the following sub-section shall be inserted, namely:-

"(6A) The margin of dumping in relation to an article, exported by an exporter or producer, under inquiry under sub-section (6) shall be determined on the basis of records concerning normal value and export price maintained, and information provided, by such exporter or producer;

Provided that where an exporter or producer fails to provide such records or information, the margin of dumping for such exporter or producer shall be determined on the basis if facts available",

(iii) for sub-section (8), the following sub-section shall be substituted and shall always be deemed to have been substituted on and from the 1st day of January, 1995, namely:-

"(8) The provisions of the Customs Act, 1962 (52 of 1962) and the rules and regulations made thereunder, including those relating to the date for determination of rate of duty, assessment, non-levy, short levy, refunds, interest, appeals, offences and penalties shall, as far as may be, apply to the duty chargeable under this section as they apply in relation to duties leviable under that Act",

102. Validation of certain actions taken under section 9A of Act 51 of 1975: Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under any rule, regulation, notification or order made or issued under the Customs Act, or any notification or order issued under such rule or regulation at any time during the period commencing on and from the 1st day of January, 1995 and ending with the day, the Finance (No. 2) Bill, 2009 receives the assent of the President shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done or omitted to be done as if the amendment made in section 9A of the Customs Trariff Act by clause (iii) of section 101 of the Finance (No. 2) Act, 2009 had been in force at all material times and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,-

(a) any action taken or anything done or omitted to be done, during the said period in respect of any goods, under any such rule, regulation, notification or order, shall be deemed to be and shall be deemed always to have been, as validly taken or done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court, tribunal or other authority for any action taken or anything done or omitted to be done, in respect of any goods, under any such rule, regulation, notification or order, and no enforcement shall be made by any court, of any decree

or order relating to such action taken or anything done or omitted to be done as if the amendment made by the said section had been in force at all material times;

(c) recovery shall be made of all such amounts of duty or interest or penalty or fine or other charges which have not been collected or, as the case may be, which have been refunded, as if the amendment made by the said section had been in force at all material times;

Explanation: For the removal of doubts, it is hereby declated that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

103. Amendment of First Schedule: The First Schedule to the Customs Tariff Act shall be amended in the manner as specified in the Third Schedule.

Excise

104. Amendment of section 9A: In section 9A of the Central Excise Act, 1944, (1of 1994) (hereinafter referred to as the Central Excise Act), in sub-section (2),-

(i) for the words "such compounding amount" the words "such compounding amount and in such manner of compounding" shall be substituted;

(ii) the following proviso shall be inserted, namely:-

"Provided that nothing contained in this sub-section shall apply to-

(a) a person who has been allowed to compound once in respect of any of the offences under the provisions of clause (a), (b), (bb), (bbb), (bbbb) or (c) of sub-section (1) of section 9;

(b) a person who has been accused of committing an offence under this Act which is also an offence under the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985);

(c) a person who has been allowed to compound once in respect of any offence under this Chapter for goods of value exceeding rupees one crore;

(d) a person who has been convicted by the court under this Act on or after the 30th day of December, 2005",

105. Amendment of section 14A: In section 14A of the Central Excise Act-,

(i) in sub-sections (1) and, (2), for the words "cost accountant", the words "cost accountant or chartered accountant" shall be substituted;

(ii) the Explanation shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered, the following explanation shall be inserted, namely:-

Explanation 2- For the purposes of this section, "chartered accountant" shall have the meaning assigned to it in clause (b) of sub-section (I) of section 2 of the Chartered Accountants Act, 1949'(38 of 1949)''

106. Amendment of section 14AA: In section 14AA of the Central Excise Act,-

(i) in sub-sections (1) and (2) for the words "cost accountant", the words "cost accountant or chartered accountant" shall be substituted;

(ii) the Explanation shall be renumbered as Explanation 1 thereof, and after Explanation 1 as so renumbered ,the following Explanation shall be inserted, namely:-

Explanation 2: For the purposes of this section "chartered accountant" shall have the meaning assigned to it in clause (b) of sub-section (1) of section 2 of the Chartered Accountants Act, 1949 (38 of 1949)".

107. Amendment of section 23A: In section 23A of the Central Excise Act, for clause (e), the following clause shall be substituted, namely:-

(e) “Authority” means the Authority for Advance Rulings, constituted under sub-section (1), or authorized by the Central Government under sub-section (2A), of section 28F of the Customs Act, 1962 (52 of 1962)”,

108. Amendment of section 35G: In section 35G of the Central Excise Act, after sub-section (2), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 2003 namely:-

“(2A) The High Court may admit an appeal after the expiry of the period of one hundred and eighty days referred to in clause (a) of sub-section (2), if it is satisfied that there was sufficient cause for not filing the same within that period”,

109. Amendment of section 35H: In section 35H of the Central Excise Act, after sub-section (3) the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of July, 1999, namely:-

“(3A) The High Court may admit an application or permit the filing of a memorandum of cross-objections after the expiry of the relevant period referred to in sub-section(1) or sub-section (3), if it is satisfied that there was sufficient cause for not filing the same within that period”,

110. Amendment of section 37: In section 37 of the Central Excise Act, in sub-section (2), in clause (id), for the words “for compounding” the words “for compounding and the manner of compounding shall be substituted.

111. Amendment of notifications issued under section 37 of Central Excise Act and validation of certain actions taken: (1) The notifications of the Government of India, in the Ministry of Finance (Department of Revenue) numbers G.S.R 448 (E), dated the 1st August, 1997, G.S.R. 503 (E), dated the 30th August 1997 and G.S.R. 130 (E), dated the 10th March, 1998, issued under section 37 of the Central Excise Act, shall stand amended and shall be deemed to have been amended retrospectively in the manner as specified against each of them in column (3) of the Fourth Schedule, on and from the corresponding date mentioned in column (4) of that Schedule and accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority, any action taken or anything done or purported to have been taken or done under the said notifications, shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done as if the notification as amended by this sub-section had been in force at all material times.

(2) Notwithstanding the omission of section 3A of the Central Excise Act by section 121of the Finance Act, 2001 (14 of 2001) and the expiration of the notifications referred to in sub-section (1), for the purposes of sub-section (I), the Central Government shall have and shall be deemed to have the power to make rules and issue or amend notifications under section 3A read with section 37 of the Central Excise, Act, retrospectively, at all material times.

(3) Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under the notifications referred to in sub-section (1) at any time during the period commencing on or from the 1st day of August, 1997 and ending with the day, the Finance (No 2) Bill, 2009 receives the assent of the President shall be deemed to be, and to have always been, for all purposes, as validly and effectively taken or done or omitted to be done as if the amendments made by

sub-section (1) had been in force at all material times and accordingly notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority,

(a) any action taken or anything done or omitted to be done, during the said period in respect of any goods under the said notifications, shall be deemed to be and shall be deemed always to have been, as validly taken or done or omitted to be done as if the amendments made by sub-section (1) had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court tribunal or other authority for any action taken or anything done or omitted to be done, in respect of any goods under the said notifications, and no enforcement shall be made by any court, of any decree or order relating to such action take or anything done or omitted to be done as if the amendments made by sub-section (1) had been in force at all material times;

(c) recovery shall be made of such amounts of duty or interest or penalty or fine or other charges which have not been collected or, as the case may be, which have been refunded, as if the amendments made by sub-section (1) had been in force at all material times.

Explanation: For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

Excise tariff

112. Amendment of First Schedule to Act 5 of 1986: The First Schedule to the Central Excise Tariff Act, 1985 shall be amended in the manner as specified in the Fifth Schedule.

CHAPTER V

Service tax

113. Amendment of Act 32 of 1994: In the Finance Act, 1994

(A) in section 65, save as otherwise provided with effect from such date as the Central Government may, by notification in the Official Gazette, appoint-

(1) in clause (19)-

(a) for the portion beginning with the words “but does not include” and ending with the words and figures” Central Excise Act, 1944 (1 of 1944)” the words “but does not include any activity that amounts to manufacture of excisable goods” shall be substituted;

(b) in the Explanation, after clause(a), the following clauses shall be inserted, namely:-

(b) “excisable goods” has the meaning assigned to it in clause (d) of section 2 of the Central Excise Act, 1944 (1 of 1944);

(c) “manufacture” has the meaning assigned to it in clause (f) of section 2 of the Central Excise Act, 1944; (1 of 1944);

(2) in clause (101) the words “or sub-broker, as the case may be “shall be omitted;

(3) in clause (105)-,

(a) for sub-clause (zzzp), the following sub-clause shall be substituted, namely:-

“(zzzp) to any person, by any other person, in relation to transport of goods by rail, in any manner”,

(b) in sub-clause (zzzze) in items (v) and (vi) for the word “acquiring” the word “providing” shall be substituted and shall be deemed to have been substituted with effect from the 16th day of May 2008;

(c) after sub-clause (zzzzj) the following sub-clauses shall be inserted, namely:-

"(zzzzk) to any person, by any other person, in relation to cosmetic surgery or plastic surgery, but does not include any surgery under taken to restore or reconstruct anatomy or functions of body affected due to congenital defects, developmental abnormalities, degenerative diseases, injury or trauma;

(zzzzl) to any person, by any other person, in relation to transport of –

(i) coastal goods;

(ii) goods through national waterway;or

(iii) goods through inland water;

Explanation: For the purposes of this sub-clause,

(a) "coastal goods" has the meaning assigned to it in clause (7) of section 2 of the Customs Act 1962; (52 of 1962);

(b) "national waterway" has the meaning assigned to it in clause (h) of section 2 of the Inland Waterways Authority of India Act, 1985; (82 of 1985)

(c) "inland water" has the meaning assigned to it in clause (b) of section 2 of the Inland Vessels Act, 1917 (1 of 1917);

(zzzzm) to a business entity by any other business entity, in relation to advice, consultancy or assistance in any branch of law, in any manner;

Provided that any service provided by way of appearance before any court, tribunal or authority shall not amount to taxable service.

Explanation: For the purposes of this sub-clause, "business entity" includes an association of person, body of individuals, company or firm but does not include an individual",

(B) in section 66, with effect from such date as the Central Government may, by notification in the Official Gazette, appoint for the word, brackets and letters "and (zzzzj)" the brackets, letters and word" (zzzzj), (zzzzk), (zzzzl), and (zzzzm)" shall be substituted;

(C) for section 84, the following section shall be substituted, namely:-

"**84. Appeals to Commissioner of Central Excise (Appeals):** (1) The Commissioner of Central Excise may, of his own motion call for and examine the record of any proceedings in which an adjudicating authority subordinate to him has passed any decision or order under this Chapter for the purpose of satisfying himself as to the legality or propriety of any such decision or order and may, by order, direct such authority or any Central Excise Officer subordinate to him to apply to the Commissioner of Central Excise (appeals) for the determination of such points arising out of the decision or order as may be specified by the Commissioner of Central Excise in his order.

(2) Every order under sub-section (1) shall be made within a period of three months from the date of communication of the decision or order of the adjudicating authority.

(3) Where in pursuance of an order under sub-section (1) the adjudicating authority or any other officer authorized in this behalf makes an application to the Commissioner of Central Excise (Appeals) within a period of one month from the date of communication of the order under sub-section (1) to the adjudicating authority, such application shall be heard by the Commissioner of Central Excise (appeals), as if such application were an appeal made against the decision or order of the adjudicating authority and the provisions of this Chapter regarding appeals shall apply to such application.

Explanation:- For the removal of doubts, it is hereby declared that any order passed by an adjudicating officer subordinate to the Commissioner of Central Excise immediately before the

commencement of clause (C) of section 113 of the Finance (No. 2)Act, 2009 shall continue to be dealt with by the Commissioner of Central Excise as if this section had not been substituted;

(D) in section 86, in sub-sections (1) and (2), the words and figures "or section 84" shall be omitted;

(E) in section 94, in sub-section (2), after clause (hh), the following clause shall be inserted, namely:-

"(hhh) the date for determination of rate of service tax and the place of provision of taxable service",

(F) in section 95, after sub-section (1E), the following sub-section shall be inserted, namely:-

"(1F) If any difficulty arises in respect of implementing classifying or assessing the value of any taxable service incorporated in this Chapter by the Finance (No 2) Act, 2009 the Central Government may, by order published in the Official Gazette, not inconsistent with the provisions of this Chapter, remove the difficulty;

Provided that no such order shall be made after the expiry of a period of one year from the date on which the Finance (No. 2)Bill, 2009 receives the assent of the President",

Validation of action taken under sub-clause (zzzze) of clause (105) of section 65: (G)Any action taken or anything done or omitted to be done or purported to have been taken or done or omitted to be done under items (V) and (vi) of sub-clause (zzzze) of clause (105) of section 65 at any time during the period commencing on and from the 16th day of May, 2008 and ending with the day, the Finance (No 2) Bill, 2009 receives the assent of the President, shall be deemed to be, and to have always been, for all purposes as validly and effectively taken or done or omitted to be done as if the amendment made by item (b) of sub-clause (3) of clause (A) of section 113 of the Finance (No. 2) Act, 2009 had been in force at all material times and, accordingly, notwithstanding anything contained in any judgment, decree or order of any court, tribunal or other authority-,

(a) any action taken or anything done or omitted to be done for the imposition of service tax during the said period for providing the right to use information technology software for commercial exploitation and also for providing the right to use information technology software supplied electronically shall be deemed to be, and shall be deemed to always have been as validly taken or done or omitted to be done as if the said amendment had been in force at all material times;

(b) no suit or other proceedings shall be maintained or continued in any court, tribunal or other authority for the imposition of such service tax and no enforcement shall be made by any court of any decree or order relating to such action taken or anything done or omitted to be done as if the said amendment had been in force at all material times;

(c) recovery shall be made of all such amounts of service tax, interest or penalty or fine or other charges which may not have been collected or, as the case may be, which have been refunded but which would have been collected or as the case may be, would not have been refunded, as if the said amendment had been in force at all material times.

Explanation:- For the removal of doubts, it is hereby declared that no act or omission on the part of any person shall be punishable as an offence which would not have been so punishable if this section had not come into force.

(H) Validation of exemption given to a person providing specified taxable services to goods transport agency with retrospective effect:- (1) The notification of the Government of India in the Ministry of Finance (Department of Revenue) No.G.S.R. 10(E), dated the 5th January, 2009, issued in exercise of the powers conferred by sub-section (1) of section 93 of the Finance Act, 1994, (32 of 1994)

granting exemption from the whole of service tax leviable under section 66 to any person providing specified taxable services to goods transport agency, shall be deemed to have, and to always have, for all purposes, validly come into force on and from the 1st day of January, 2005, at all material times.

(2) Refund shall be made of all such service tax which has been collected but which not have been so collected as if the notification referred to in subsection (1) had been in force at all material times.

(3) Notwithstanding anything contained in the Finance Act, 1994,(32 of 1994) an application for the claim of refund of service tax shall be made within six months from the date on which the Finance (No. 2) Bill, 2009 receives the assent of the President.

Explanation: For the removal of doubts, it is hereby declared that the provisions of section 11B of the Central Excise Act 1944 (1 of 1944), shall be applicable in case of refunds under this section.

(I) in section 96A, for clause (d), the following clause shall be substituted, namely:-

(d)"Authority" means the Authority for Advance Rulings, constituted under sub-section (1), or authorised by the Central Government under sub-section (2A), of section 28F of the Customs Act, 1962 (52 of 1962)',

CHAPTER VI

MISCELLANEOUS

114. Amendment of section 13 of Act 58 of 2002: In the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, in section 13, in sub-section (1) for the words, figures and letters "the 31st day of March 2009", the words, figures and letters "the 31st day of March, 2014" shall be substituted.

115. Amendment of Chapter VII of Finance (No. 2) Act, 2004: In chapter VII of the Finance (No. 2) Act, 2004 (23 of 2004), after section 113, the following section shall be inserted with effect from the 1st day of October, 2009, namely:-

"113A. Chapter VII not to apply in certain cases: Notwithstanding anything contained in this Chapter, the provisions of this Chapter shall not apply to taxable securities transactions entered into by any person for, or on behalf of the New Pension System Trust referred to in clause (44) of section in 10 of the Income –tax, Act, 1961'',(43 of 1961)",

116. Amendment of Act 18 of 2008: After section 121 of the Finance, Act, 2008, the following section shall be inserted namely:-

"121A. Provisions of Chapter VII not to apply to taxable commodities transaction: Nothing contained in this Chapter shall apply to, or in relation to the taxable commodities transaction entered on or after the 1st day of April, 2009",

117. Repeal: The Finance Act, 2009 (26 of 2009) is hereby repealed and shall be deemed never to have been enacted.

THE FIRST SCHEDULE

(See section 2)

PART I

INCOME-TAX

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,

Rates of income-tax

(1)	where the total income does not exceed Rs 1,50,000	Nil
(2)	where the total income exceed Rs .1,50,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs. 1,50,000;
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 15,000 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 55,000 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

(II) In the case of every individual, being a woman resident in India, and below the age of sixty-five years at any time during the previous year,-

Rates of income-tax

(1)	where the total income does not exceed Rs 1,80,000	Nil
(2)	where the total income exceed Rs .1,80,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs. 1,80,000;
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 12,000 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 52,000 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

(III) In the case of every individual, being a resident in India, who is of the age of sixty-five years or more at any time during the previous year-

Rates of income-tax

(1)	where the total income does not exceed Rs 2,25, 000	Nil
(2)	where the total in come exceeds Rs .2,25,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs. 2,25,000
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 7,500 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 47,500 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall

(i) in the case of every individual or Hindu undivided family or association of persons or body of individuals having a total income exceeding ten lakh rupees, be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax;

(ii) in the case of every person, other than those mentioned in item (i), be increased by a surcharge, for purposes of the Union, calculated at the rate of ten per cent of such income-tax;

Provided that in case of persons mentioned in item (i) above having a total income exceeding ten lakh rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the

total amount payable as income –tax on a total income of ten lakh rupees by more than the amount of income that exceeds ten lakh rupees.

Paragraph B

In the case of every co-operative society-

Rates of income-tax

(1)	where the total income does not exceed Rs 10,000	10 per cent of the total income;
(2)	where the total income exceed Rs .10,000 but does not exceed Rs 20,000	Rs, 1000 plus 20 per cent of the amount by which the total income exceeds Rs. 10,000;
(3)	where the total income exceeds Rs. 20,000	Rs. 3,000 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;

Paragraph C

In the case of every firm-,

Rate of income-tax

On the whole of the total income	30 percent.

Surcharge on income-tax

The amount of income-tax computed at the rate hereinbefore specified, or in section 111A or section 112, shall, in the case of every firm having a total income exceeding one crore rupee, be increased by a surcharge for purposes of the Union calculated at the rate of ten per cent of such income-tax;

Provided that in the case of every firm having a total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more that the amount of income than exceeds one crore rupees.

Paragraph D

In the case of every local authority,

Rate of income-tax

on the whole of the total income	30 per cent

Paragraph E

In the case of a company,

Rates of income-tax

(I)	In the case of a domestic company	30 per cent of the total income;
(II)	In the case of a company other than a domestic company-	
(i)	on so much of the total income as consists of,	
(a)	royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or	
(b)	fees for rendering technical services received from Government or an Indian concern in	

	pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,	
	and where such agreement has, in either case, been approved by the Central Government	50 percent;
(ii)	on the balance, if any, of the total income	40 percent

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall in the case of every company, be increased by a surcharge for purposes of the Union calculated,

(i) in the case of every domestic company having a total income exceeding one crore rupees, at the rate of ten per cent of such income-tax;

(ii) in the case of every company other than a domestic company having a total income exceeding one crore rupees, at the rate of two and one-half per cent;

Provided that in the case of every company having a total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more that the amount of income that exceeds one crore rupees.

PART II

RATES FOR DEDUCTION OF TAX AT SOURCE IN CERTAIN CASES

In every case in which under the provisions of sections 193, 194, 194A, 194B, 194BB, 194D and 195 of the Income tax Act, tax is to be deducted at the rates in force, deduction shall be made from the income subject to the deduction at the following rates:-

		Rate of income-tax
I.	In the case of a person other than a company	
	(a) where the person is resident in India	
	(i) on income by way of interest other than “Interest on securities”	10 percent;
	(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 per cent;
	(iii) on income by way of winnings from horse races	30 percent
	(iv) on income by way of insurance commission	10 per cent
	(v) on income by way of interest payable on-	10 per cent
	(A) any debentures or securities for money issued by or on behalf of any local authority or a corporation established by a Central, state or provincial Act;	
	(B) any debentures issued by a company where such debentures are listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and any rules made thereunder;	

		Rate of income-tax
	(C) any security of the Central or State Government	
	(vi) on any other income	10 per cent;
(b)	where the person is not resident in India-	
	(i) in the case of a non-resident Indian	
	(A) on any investment income	20 per cent ;
	(B) on income by way of long-term capital gains referred to in section 115E	10 per cent ;
	(C)on income by way of short-term capital gains referred to in section 111A	15 per cent ;
	(D) on other income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 per cent ;
	(E) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency.	20 percent ;
	(F) on income by way of royalty payable by Government or an Indian Concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India-	
	(I) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent
	(II) where the agreement is made on or after the 1st day of June, 2005	10 per cent
	(G) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (i) (F)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government, of India the agreement is in accordance with that policy-	
	(I) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent
	(II) where the agreement is made on or after the 1st day of June, 2005	10 percent;
	(H) on income by way of fees for technical services payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India the agreement is in accordance with that policy	

	Rate of income-tax
(I) where the agreement is made on or after the 1st day of June,1997 but before the 1st day of June, 2005	20 per cent
(II) where the agreement is made on or after the 1st day of June, 2005	10 per cent
(I) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 percent;
(J) on income by way of winnings from horse races	30 percent;
(K) on the whole of the other income	30- percent;
(ii) in the case of any other person	
(A) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency	20 percent;
(B) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India-	
(I) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent;
(II) where the agreement is made on or after the 1st day of June, 2005	10 percent;
(C) on income by way of royalty [not being royalty of the nature referred to in sub-item (b)(ii) (B)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy-	
(I) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent
(II) where the agreement is made on or after the 1st day of June, 2005	10 percent
(D) on income by way of fees for technical services payable by Government or an Indian Concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy-	

		Rate of income-tax
	(I) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent
	(II) where the agreement is made on or after the 1st day of June, 2005	10 percent
	(E) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 percent ;
	(F) on income by way of winnings from horse races	30 percent;
	(G) on income by way of short-term capital gains referred to in section 111A	15 percent;
	(H) on income by way of long-term capital gains [not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 percent;
	(I) on the whole of the other income	30 percent;
2.	In the case of a company-	
	(a) where the company is a domestic company	
	(i) on income by way of interest other than “Interest on securities”	10 percent;
	(ii) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 percent
	(iii) on income by way of winnings from horse races	30 percent;
	(iv) on any other income	10 percent;
	(b) where the company is not a domestic company	
	(i) on income by way of winnings from lotteries, crossword puzzles, card games and other games of any sort	30 percent
	(ii) on income by way of winnings from horse races	30 percent;
	(iii) on income by way of interest payable by Government or an Indian concern on moneys borrowed or debt incurred by Government or the Indian concern in foreign currency	20 percent;
	(iv) on income by way of royalty payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March,. 1976 where such royalty is in consideration for the transfer of all or any rights (including the granting of a licence) in respect of copyright in any book on a subject referred to in the first proviso to sub-section (1A) of section 115A of the Income-tax Act, to the Indian concern, or in respect of any computer software referred to in the second proviso to sub-section (1A) of section 115A of the Income-tax Act, to a person resident in India-	
	(A) where the agreement is made on the 1st day of June, 1997	30 percent;
	(B) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent;
	(C) where the agreement is made on or after the 1st day of June 2005,	10 percent;

	Rate of income-tax
(v) on income by way of royalty [not being royalty of the nature referred to in sub-item (b) (iv)] payable by Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of Indian the agreement is in accordance with that policy-	
(A) where the agreement is made after 31st day of March, 1961 but before the 1st day of April, 1976;	50 percent;
(B) where the agreement is made after the 31st day of March, 1976 but before the 1st day of June 1997,	30 percent;
(C) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent;
(D) where the agreement is made on or after the 1st day of June, 2005	10 percent;
(vi) on income by way of fees for technical services payable by Government or an Indian Concern in pursuance of an agreement made by it with the Government or the Indian concern and where such agreement is with an Indian concern, the agreement is approved by the Central Government or where it relates to a matter included in the industrial policy, for the time being in force, of the Government of India, the agreement is in accordance with that policy-	
(A) where the agreement is made after the 29th day of February, 1964 but before the 1st day of April, 1976;	50 percent;
(B) where the agreement is made after the 31st day of March, 1976 but before the 1st day of June, 1997;	30 percent;
(C) where the agreement is made on or after the 1st day of June, 1997 but before the 1st day of June, 2005	20 percent;
(D) where the agreement is made on or after the 1st day of June, 2005	10 percent;
(vii) on income by way short-term capital gains referred to in section 111A	15 percent;
(viii) on income by way of long-term capital gains[not being long-term capital gains referred to in clauses (33), (36) and (38) of section 10]	20 percent;
(ix) on any other income	40 percent;

Explanation:- For the purpose of item 1 (b) (i) of this Part, "investment income" and "non-resident Indian" shall have the meanings assigned to them in Chapter XII-A of the Income-tax Act.

Surcharge on income-tax

The amount of income-tax deducted in accordance with the provisions of item 2 (b) of this, Part, shall be increased by a surcharge, for purposes of the Union, in the case of every company other than a domestic company, calculated at the rate of two and one-half percent of such income-tax where the income or the aggregate of such incomes paid or likey to be paid and subject to the deduction exceeds one crore rupees.

PART III

RATES FOR CHARGING INCOME-TAX IN CERTAIN CASES, DEDUCTING INCOME-TAX FROM INCOME CHARGEABLE UNDER THE HEAD "SALARIES" AND COMPUTING" "ADVANCE TAX"

In cases in which income-tax has to be charged under sub-section (4) of section 172 of the Income-tax Act or sub-section (2) of section 174 or section 174A or section 175 or sub-section (2) of section 176 of the said Act or deducted from or paid on, from income chargeable under the head "Salaries" under section 192 of the said Act or in which the "advance tax" payable under Chapter XVII-C of the said Act has to be computed at the rate or rates in force, such income-tax or, as the case may be, :advance tax" [not being "advance tax" in respect of any income chargeable to tax under Chapter XII or Chapter XII-A or income chargeable to tax under section 115JB or sub-section (1A) of section 161 or section 164 or section 164A or section 167B of the Income-tax Act at the rates as specified in that Chapter or section or surcharge, wherever applicable, on such "advance tax" in respect of any income chargeable to tax under section 115A or section 115AB or section 115AC or section 115ACA or section 115AD or section 115 B or section 115BB or section 115BBA or section 115BBC or section 115E or section 115JB] shall be charged, deducted or computed at the following rate or rates;

Paragraph A

(I) In the case of every individual other than the individual referred to in items (II) and (III) of this Paragraph or Hindu undivided family or association of persons or body of individuals, whether incorporated or not, or every artificial juridical person referred to in sub-clause (vii) of clause (31) of section 2 of the Income-tax Act, not being a case to which any other Paragraph of this Part applies,

Rates of income-tax

(1)	where the total income does not exceed Rs 1,60,000	Nil
(2)	where the total income exceed Rs .1,60,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs. 1,60,000;
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 14,000 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 54,000 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

(II) In the case of every individual, being a woman resident in India, and below the age of sixty-five years at any time during the previous year-

Rates of income-tax

(1)	where the total income does not exceed Rs 1.90,000	Nil
(2)	where the total income exceed Rs .1,90,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs1,90,000
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 11,000 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 51,000 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

(III) In the case of every individual, being a resident in India, who is of the age of sixty-five years or more at any time during the previous year-

Rates of income-tax

(1)	where the total income does not exceed Rs 2,40,000	Nil
(2)	where the total income exceed Rs .2,40,000 but does not exceed Rs. 3,00,000	10 per cent of the amount by which the total income exceeds Rs 2,40,000;
(3)	where the total income exceeds Rs. 3,00,000 but does not exceed Rs., 5,00, 000	Rs. 6,000 plus 20 per cent of the amount by which the total income exceeds Rs. 3,00,000
(4)	where the total income exceeds Rs .5,00,000	Rs. 46,000 plus 30 per cent of the amount by which the total income exceeds Rs. 5,00,000

Paragraph B

In the case of every co-operative society-

Rates of income-tax

(1)	where the total income does not exceed Rs 10,000	10 per cent of the total income;
(2)	where the total income exceed Rs .10,000 but does not exceed Rs 20,000	Rs, 1,000 plus 20 per cent of the amount by which the total income exceeds Rs. 10,000;
(3)	where the total income exceeds Rs. 20,000	Rs. 3,000 plus 30 per cent of the amount by which the total income exceeds Rs. 20,000;

Paragraph C

In the case of every firm-,

Rate of income-tax

On the whole of the total income	30 percent.

Paragraph D

In the case of every local authority,

Rate of income-tax

on the whole of the total income	30 per cent

Paragraph E

In the case of a company,

Rates of income-tax

I	In the case of a domestic company	30 per cent of the total income;
II	In the case of a company other than a domestic company	
	(i) on so much of the total income as consists of,	
(a)	royalties received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 31st day of March, 1961 but before the 1st day of April, 1976; or	

(b)	fees for rendering technical services received from Government or an Indian concern in pursuance of an agreement made by it with the Government or the Indian concern after the 29th day of February, 1964 but before the 1st day of April, 1976,	
	and where such agreement has, in either case, been approved by the Central Government	50 percent;
(ii)	on the balance, if any, of the total income	40 percent

Surcharge on income-tax

The amount of income-tax computed in accordance with the preceding provisions of this Paragraph, or in section 111A or section 112, shall in the case of every company, be increased by a surcharge for purposes of the Union calculated,

(i) in the case of every domestic company having a total income exceeding one crore rupees, at the rate of ten per cent of such income-tax;

(ii) in the case of every company other than a domestic company having a total income exceeding one crore rupees, at the rate of two and one-half per cent;

Provided that in the case of every company having a total income exceeding one crore rupees, the total amount payable as income-tax and surcharge on such income shall not exceed the total amount payable as income-tax on a total income of one crore rupees by more that the amount of income that exceeds one crore rupees.

PART IV

[See section 2(12)(c)]

RULES FOR COMPUTATION OF NET AGRICULTURAL INCOME

Rule 1:- Agricultural income of the nature referred to in sub-clause (a) of clause (1A) of section 2 of the Income-tax Act shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from other sources" and the provisions of sections 57 to 59 of that Act shall, so far as may be, apply accordingly:

Provided that sub-section (2) of section 58 shall apply subject to the modification that the reference to section 40A therein shall be construed as not including a reference to sub-sections (3) and (4) of section 40A.

Rule 2:- Agricultural income of the nature referred to in sub-clause (b) or sub-clause (c) of clause (1A) of section 2 of the Income-tax Act [other than income derived from any building required as a dwelling-house by the receiver of the rent or revenue of the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)] shall be computed as if it were income chargeable to income-tax under that Act under the head "Profits and gains of business or profession" and the provisions of sections 30,31,32,36,37,38, 40, 40A [other than sub-sections (3) and (4) there of], 41, 43, 43A, 43B and 43C of the Income-tax Act shall, so far as may be, apply accordingly.

Rule 3:- Agricultural income of the nature referred to in sub-clause (c) of clause (1A) of section 2 of the Income tax Act being income derived from any building required as a dwelling-house by the receiver of the rent or revenue or the cultivator or the receiver of rent-in-kind referred to in the said sub-clause (c)

shall be computed as if it were income chargeable to income-tax under that Act under the head "Income from house property" and the provisions of sections 23 to 27 of that Act Shall, so far as may be, apply accordingly.

Rule 4:- Notwithstanding anything contained in any other provisions of these rules, in a case-

(a) where the assessee derives income from sale of tea grown and manufactured by him in India, such income shall be computed in accordance with rule 8 of the income-tax Rules, 1962 and sixty per cent of such income shall be regarded as the agricultural income of the assessee;

(b) where the assessee derives income from sale of centrifuged latex or cenex or latex based crepes (such as pale latex crepe) or brown crepes (such as estate brown crepe, re-milled crepe, smoked blanket crepe or flrt bark crepe) or technically specified block rubbers manufactured or processed by him from rubber plants grown by him in India, such income shall be computed in accordance with rule 7A of the Income-tax Rules, 1962 and sixty-five percent of such income shall be regarded as the agricultural income of the assessee;

(c) where the assessee derives income from sale of coffee grown and manufactured by him in India, such income shall be computed in accordance with rule 7B of the Income-tax Rules, 1962 and sixty percent or seventy –five percent, as the case may be, of such income shall be regarded as the agricultural income of the assessee.

Rule 5:- Where the assess is a member of an association of persons or a body of individuals (other than a Hindu undivided family, a company or a firm) which in the previous year has either no income chargeable to tax under the Income-tax Act or has total Income not exceeding the maximum amount not chargeable to tax in the case of an association of persons or a body individuals (other than a Hindu undivided family, a company or a firm) but has any agricultural income then the Agriculture income or loss of the association or body shall be computed in accordance with these rules and the share of the assessee in the agricultural income or loss so computed shall be regarded as the agricultural income or loss of the assessee.

Rule 6: Where the result of the computation for the previous year in respect of any source of agricultural income is a loss such loss shall be set off against the income of the assessee, if any, for that previous year from any other source of agricultural income;

Provided that where the assessee is a member of an association of persons or a body of individuals and the share of the assessee in the agricultural income of the association or body, as the case may be, is a loss, such loss shall not be set off against any income of the assessee from any other source of agricultural income.

Rule 7:- Any sum payable by the assessee on account of any tax levied by the State Government on the agricultural income shall be deducted in computing the agricultural income.

Rule 8:- (1) where the assesee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2009, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2001 or the 1st day of April, 2002 or the 1st day of April ,2003 or the 1st day of April, 2004 or the 1st day of April, 2005 or the day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008, is a loss, then, for the purposes of sub-section (2) of section, 2 of this Act,-

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2001 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2002 or the 1st day of April, 2003 or the 1st day of April, 2004 or the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008.

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2002, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2003 or the 1st day of April, 2004 or the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008.

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2003, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2004 or the 1st day of April 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008.

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2004, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008.

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2005, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2006, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2007 or the 1st day of April, 2008.

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2008.

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2009.

(2) Where the assessee has, in the previous year relevant to the assessment year commencing on the 1st day of April, 2010, or if by virtue of any provision of the Income-tax Act, income-tax is to be charged in respect of the income of a period other than the previous year, in such other period, any agricultural income and the net result of the computation of the agricultural income of the assessee for any one or more of the previous years relevant to the assessment years commencing on the 1st day of April, 2002 or the 1st day of April, 2003 or the 1st day of April, 2004 or the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009 is a loss, then, for the purposes of sub-section (10) of section 2 of this Act-,

(i) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2002 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2003 or the 1st day of April, 2004 or the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009.

(ii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2003 to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2004 or the 1st day of April, 2005 or the 1st day of April, 2006 or the 1st day of April, 2007or the 1st day of April, 2008 or the 1st day of April, 2009.

(iii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2004, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2005 or the 1st day of April 2006 or the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009

(iv) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2005, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2006 or the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009.

(v) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2006, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2007 or the 1st day of April, 2008 or the 1st day of April, 2009.

(vi) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2007, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2008 or the 1st day of April, 2009.

(vii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2008, to the extent, if any, such loss has not been set off against the agricultural income for the previous year relevant to the assessment year commencing on the 1st day of April, 2009.

(viii) the loss so computed for the previous year relevant to the assessment year commencing on the 1st day of April, 2009,

shall be set off against the agricultural income of the assessee for the previous year relevant to the assessment year commencing on the 1st day of April, 2010.

(3) Where any person deriving any agricultural income from any source has been succeeded in such capacity by another person, otherwise than by inheritance, nothing in sub-rule (1) or sub-rule (2) shall entitle any person, other than the person incurring the loss, to have it set off under sub-rule (1) or, as the case may be, sub-rule (2)

(4) Notwithstanding anything contained in this rule, no loss which has not been determined by the Assessing Officer under the provisions of these rules or the rules contained in Part –IV of the First Schedule to the Finance Act, 2001 (14 of 2001), or of the First Schedule to the Finance Act 2002

(20 of 2002), or of the First Schedule to the Finance Act, 2003 (32 of 2003), or of the First Schedule to the Finance (No. 2) Act, 2004 (23 of 2004) or of the First Schedule to the Finance Act, 2005 (18 of 2005), or of the First Schedule to the Finance Act, 2006 (21 of 2006) or of the First Schedule to the Finance Act, 2007 (22 of 2007) or of the First Schedule to the Finance Act, 2008 (18 of 2008) shall be set off under sub-rule (1) or, as the case may be, sub-rule (2).

Rule 9:- Where the result of the computation made in accordance with these rules is a loss, the loss so computed shall be ignored and the net agricultural income shall be deemed to be nil.

Rule 10:- The provisions of the Income-tax Act relating to procedure for assessment (including the provisions of section 288 A relating to rounding off of income). Shall, with the necessary modifications, apply in relation to the computation of the net agricultural income of the assessee as they apply in relation to the assessment of the total income.

Rule 11:- For the purposes of computing the net agricultural income of the assessee, the Assessing Officer shall have the same power as he has under the Income-tax Act for the purposes of assessment of the total income.

THE SECOND SCHEDULE

(See section 93)

Sl. No	Notification number and date	Amendment	Date of effect of amendment
1	G.S.R. 260(E), dated the 1st May 2006, 40/2006-Customs, dated the 1st May 2006	In the said notification, in the opening paragraph, (i) after condition (iii), the following condition shall be inserted, namely: "(iiia) that in respect of imports made after the discharge of export obligation in full, if facility under rule 18 (rebate of duty paid on materials used in the manufacture of resultant product) or sub-rule (2) of rule 19 of the Central Excise Rules, 2002 or CENVAT Credit under CENVAT Credit Rules, 2004 has been availed, than the importer shall use the imported materials for the manufacture of dutiable goods in his factory or in the factory of his supporting manufactured and shall submit a certificate from the jurisdictional Central Excise Officer that the imported materials have been so used. Provided that, in case,- (a) materials are imported against an authorization transferred by the Regional Authority, or (b) the imported materials are transferred with the permission of Regional Authority. then the importer shall pay an amount equal to the additional duty of customs leviable on the materials so imported or transferred, but for the exemption contained herein, together with interest at the rate of fifteen per cent per annum from the date of clearance of the said materials; Provided further that no such amount shall be payable in respect of authorization issued from the 1st day of May, 2006 to the 31st day of March, 2007;"	1st May, 2006

	(ii) in conditions (iiia), after the second proviso, the following proviso shall be inserted, namely:-	
	"Provided also that if the importer pays additional duty of customs leviable on the imported materials but for the exemption contained herein, then the imported materials may be cleared without furnishing a bond specified in this condition and the additional duty of customs so paid shall be eligible for availing CENVAT Credit under the CENVAT Credit Rules, 2004",	19 the February, 2009
	(iii) for condition (v), the following condition shall be substituted, namely:-	
	"(v) that the export obligation as specified in the said authorization (both in value and quantity terms) is discharged within the period specified in the said authorization or within such extended period as may be granted by the Regional Authority by exporting resultant products, manufactured in India which are specified in the said authorization: Provided that an Advance Intermediate authorization holder shall discharge export obligation by supplyng the resultant products to the exporter in terms of paragraph 4.1.3. (ii) of the Foreign Trade Policy".	1 st May, 2006 to 18th February, 2009
	(iv) in the Explanation after clause (iv), the following clause shall be inserted, namely	
	(v) "dutiable goods" means excisable goods which are not exempt from central excise duty and which are not chargeable to "nil" rate of central excise duty",	1st May, 2006 to 18th February 2009.

THE THIRD SCHEDULE

(See section 103)

In the First Schedule to the Customs Tariff Act, in SECTION XI, in Note, 2 for para (A), the following shall be substituted, namely:-

" (A) Goods classifiable in Chapters 50 to 55 or in heading 5809 or 5902 and of a mixture of two or more textile materials are to be classified as if consisting wholly of that one textile material which predominates by weight over any other single textile material.

When no one textile material predominates by weight, the goods are to be classified as if consisting wholly of that one textile material which is covered by the heading which occurs last in numerical order among those which equally merit consideration",

THE FOURTH SCHEDULE

(See section 111)

Sl. No	Notification number and date	Amendment	Date of effect of amendment
1	G.S.R. 448 (E) dated the 1st August, 1997 [33/1997-Central Excise (N.T.) dated the 1st August, 1997]	In the said notification ,in the preamble, for the words and figures "powers conferred by section 37", the words, figures and letter" powers conferred by section 3A read with section 37" shall be substituted.	1st August, 1997

2	G.S.R. 503 (E) dated the 30th August, 1997 [44/1997-Central Excise (N.T.) dated the 30th August, 1998]	In the said notification ,in the preamble, for the words and figures "powers conferred by section 37", the words, figures and letter" powers conferred by section 3A read with section 37" shall be substituted.	30th August, 1997
3	G.S.R. 130 (E) dated the 10th March, 1998 [7/1998-Central Excise (N.T.) dated the 10th March, 1998]	In the said notification ,in the preamble, for the words and figures "powers conferred by section 37", the words, figures and letter" powers conferred by section 3A read with section 37" shall be substituted.	10th March, 1998

THE FIFTH SCHEDULE

(See section 112)

In the First Schedule to the Central Excise Tariff Act-

(1) in chapter 8, for NOTE 1, the following NOTE shall be substituted, namely:-

1. This chapter does not cover;

(a) inedible nuts or fruits ;or

(b) betel nut product known as "Supari" of tariff item 2106 90 30;

(2) in Chapter 21, after NOTES, 5, the following NOTE shall be inserted namely:-

"6 In relation to product of tariff item 2106 90 30, the process of adding or mixing cardamom copra, menthol spices, sweetening agents or any such ingredients other than lime, katha (catechu) or tobacco to betel nut, in any form, shall amount to "manufacture",

(3) in Chapter 58, against tariff item 5801 22 10,

(i) in column (3), the entry "m" shall be inserted;

(ii) in column (4), the entry "8% "shall be inserted.

T.K. VISWANATHAN,
Secretary to the Govt of India

MINISTRY OF FINANCE

(Department of Revenue)

NOTIFICATION

New Delhi, the 14th September 2009

No. 142/2009-Customs (NT)

G.S.R. 676 (E)- In exercise of the powers conferred by section 86 of the Finance (No. 2)_ Act, 2009 (33 of 2009), the Central Government hereby appoints the 15th day of September, 2009, as the date on which sub-sections (2A), (2B), (2C), and (2D) shall be inserted in Section 28F of the Customs Act, 1962 (52 of 1962).

[F.NO. 29/02/2009-Ad IC]

PRASHANT KUMAR, Under Secy.

ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ,

ಆರ್. ಆಂಜಿನಿ

ಪಿ.ಆರ್. 60

ಸಹಾಯಕ ಪ್ರಾರೂಪಕಾರ ಮತ್ತು ಪದನಿಮಿತ್ತ

ಸರ್ಕಾರದ ಅಧೀನ ಕಾರ್ಯದರ್ಶಿ,

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಇಲಾಖೆ.